# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**December 1987**

## CONFIDENCE DOWN, BUT STILL REASSURING

Although the consumer's initial response to the Wall Street crash was relatively moderate, by mid-November the Confidence Index had registered a fairly substantial loss. In early October, prior to the stock market crisis, the Index (1985 = 100) was at 117, but in the poll taken in the first two weeks of November, the reading had dropped to 96.3.

On all issues included in the survey, respondents were less optimistic than a month earlier. Biggest losses, as expected, were reported on questions concerning the future. In the latest poll, more people expect business conditions to worsen over the next six months—12.5%, up from only 8.1% before the big fall. On the issue of employment prospects, some 20% now fear that there will be fewer jobs, up from 14% earlier. Finally, more people are now concerned that their incomes will decline—9%, up from 7% earlier.

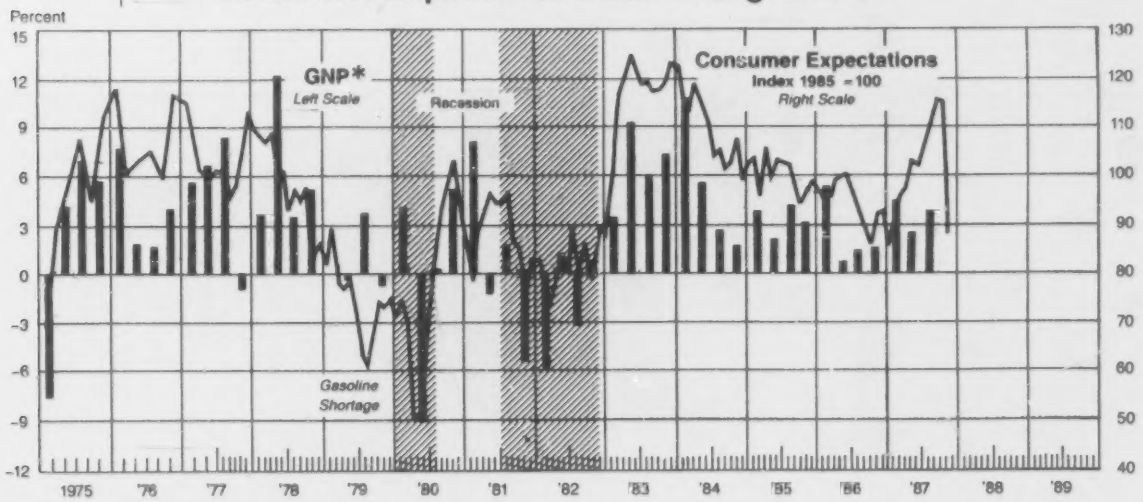
The historic plunge in Wall Street prices was bound to shake consumer confidence. But the damage, thus far at least, appears to be less formidable than might have been expected. A decline of some 18% in the Index is quite substantial, but the drop was from a 15-year high. Even with the sharp drop, consumer confidence is still higher than it was at the beginning of the year. The expectations component of the Index now reads 88.3, compared with 85.6 in January. In short, while consumers' spirits are not nearly as high as they were before the stock crisis, they are still well above what is generally associated with an oncoming recession. The measure of consumer confidence is still reasonably reassuring.

Buying plans also compare well with the readings earlier this year. Interest in cars is down moderately, but even before the crash, auto sales were expected to soften. Intentions to purchase homes and major appliances are roughly the same today as they were in the initial quarter of the year.

Finally, in the recent November survey, consumers were asked to indicate how much they plan to spend on Christmas gifts this year. They were given a number of response options, ranging from "less than $100" to "over $1,000." Responses averaged out at about $380, which is almost precisely the same figure as recorded in an identical survey conducted by the Board in November 1986.

Fabian Linden

### Consumer Expectations and Changes in GNP




* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

## Consumer Expectations and Intentions

**Based on surveys conducted by NFO Research, Inc.**

Percentage of all households = 100%

| All series seasonally adjusted | 1986 Nov. | 1986 Dec. | 1987 Jan. | 1987 Feb. | 1987 Mar. | 1987 Apr. | 1987 May | 1987 June | 1987 July | 1987 Aug. | 1987 Sep. | 1987 Oct.(r) | 1987 Nov.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Composite Series: Index Numbers, 1985 = 100** | | | | | | | | | | | | | |
| Consumer Confidence Index | 89.7 | 93.2 | 85.4 | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 96.3 |
| Present Situation | 86.2 | 94.7 | 85.0 | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 108.3 |
| Expectations | 92.0 | 92.2 | 85.6 | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 88.3 |
| Buying Plans Index | 93.0 | 103.6 | 98.9 | 93.1 | 98.7 | 89.7 | 113.4 | 94.5 | 96.0 | 96.5 | 108.7 | 104.9 | 91.6 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 23.8 | 24.7 | 20.9 | 24.8 | 24.0 | 23.3 | 25.2 | 28.9 | 26.1 | 28.5 | 29.9 | 30.9 | 24.9 |
| Bad | 27.0 | 25.1 | 28.1 | 26.1 | 26.4 | 24.7 | 24.6 | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 21.5 |
| Normal | 49.2 | 50.2 | 51.0 | 49.1 | 49.6 | 52.0 | 50.2 | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.6 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 18.7 | 20.9 | 19.6 | 20.8 | 21.9 | 20.5 | 21.9 | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 25.2 |
| Jobs not so plentiful | 46.2 | 46.8 | 46.2 | 45.1 | 45.6 | 46.7 | 47.9 | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 46.3 |
| Jobs hard to get | 35.1 | 32.3 | 34.2 | 34.1 | 32.5 | 32.8 | 30.2 | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 28.5 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 19.0 | 18.3 | 16.0 | 19.0 | 18.2 | 18.8 | 20.8 | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 17.6 |
| Worse | 10.2 | 10.7 | 11.1 | 10.2 | 9.1 | 7.3 | 7.8 | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.5 |
| Same | 70.8 | 71.0 | 72.9 | 70.8 | 72.7 | 73.9 | 71.4 | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.9 |
| Employment | | | | | | | | | | | | | |
| More jobs | 15.4 | 14.8 | 12.6 | 14.7 | 14.9 | 16.5 | 17.7 | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.2 |
| Fewer jobs | 19.6 | 18.4 | 19.0 | 19.7 | 15.6 | 15.6 | 14.1 | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.9 |
| Same | 65.0 | 66.8 | 68.4 | 65.6 | 69.5 | 67.9 | 68.2 | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 64.9 |
| Income | | | | | | | | | | | | | |
| Increase | 24.0 | 25.6 | 21.1 | 24.6 | 24.5 | 23.3 | 24.1 | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 25.3 |
| Decrease | 8.8 | 8.6 | 8.4 | 8.3 | 8.1 | 8.3 | 6.6 | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.3 |
| Same | 67.2 | 65.8 | 70.5 | 67.1 | 67.4 | 68.4 | 69.3 | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 65.4 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.6 | 7.9 | 7.4 | 7.8 | 7.5 | 7.2 | 9.0 | 7.9 | 7.7 | 7.1 | 8.8 | 8.5 | 7.2 |
| New | 3.8 | 4.6 | 3.4 | 4.0 | 4.0 | 4.3 | 4.2 | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 3.5 |
| Used | 2.7 | 2.6 | 2.6 | 2.9 | 2.8 | 2.2 | 3.6 | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.6 |
| Uncertain | 1.1 | 0.7 | 1.4 | 0.9 | 0.7 | 0.7 | 1.2 | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.1 |
| Home | | | | | | | | | | | | | |
| Yes | 3.1 | 4.3 | 4.4 | 3.1 | 4.1 | 3.2 | 4.1 | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.1 |
| New | 1.1 | 1.1 | 1.5 | 1.1 | 1.4 | 0.7 | 1.3 | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 0.9 |
| Lived in | 1.6 | 2.1 | 1.9 | 1.3 | 2.0 | 1.7 | 1.8 | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 1.8 |
| Uncertain | 0.4 | 1.1 | 1.0 | 0.7 | 0.7 | 0.8 | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.4 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 28.7 | 30.8 | 28.5 | 29.1 | 29.1 | 27.4 | 36.3 | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 28.9 |
| Refrigerator | 4.8 | 4.4 | 5.3 | 5.2 | 4.6 | 4.0 | 5.6 | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.1 |
| Washing machine | 4.3 | 4.4 | 4.2 | 3.8 | 4.3 | 3.6 | 4.8 | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 3.9 |
| TV Set | 6.9 | 7.8 | 6.8 | 7.7 | 7.1 | 6.5 | 9.2 | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.6 |
| Vacuum Cleaner | 4.8 | 5.6 | 4.3 | 4.8 | 5.5 | 5.2 | 6.4 | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.2 |
| Range | 3.2 | 3.2 | 3.0 | 2.8 | 2.5 | 3.3 | 3.9 | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.0 |
| Clothes dryer | 3.4 | 3.7 | 3.3 | 3.3 | 3.7 | 3.0 | 4.1 | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.3 |
| Air conditioner | 1.3 | 1.7 | 1.6 | 1.5 | 1.4 | 1.8 | 2.3 | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 1.8 |
| Carpet | 6.9 | 7.7 | 7.7 | 7.0 | 8.2 | 6.0 | 10.0 | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 |
| **Vacation Intended Within Six Months: Percent** | | | | | | | | | | | | | |
| Vacation Intended | | 49.5 | | 50.9 | | 49.4 | | 49.7 | | 52.0 | | 54.3 | |
| Destination | | | | | | | | | | | | | |
| Home state | | 10.1 | | 11.5 | | 10.2 | | 9.7 | | 10.1 | | 12.0 | |
| Other state | | 34.0 | | 35.2 | | 34.2 | | 35.7 | | 36.9 | | 36.3 | |
| Foreign country | | 6.6 | | 5.9 | | 6.8 | | 6.6 | | 6.8 | | 7.8 | |
| Means of travel | | | | | | | | | | | | | |
| Automobile | | 30.3 | | 33.2 | | 29.8 | | 30.7 | | 30.6 | | 32.7 | |
| Airplane | | 18.9 | | 18.4 | | 19.5 | | 20.9 | | 21.3 | | 20.7 | |
| Other | | 3.7 | | 4.3 | | 4.6 | | 3.7 | | 4.2 | | 4.4 | |

(p)—preliminary (r)—revised

| Not seasonally adjusted | 1986 Nov. | 1986 Dec. | 1987 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct (r) | Nov.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Inflation, Interest Rates, Stock Prices Expectations for 12 Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | | | | | | | | 4.4 | 4.3 | 4.4 | 4.4 |
| Interest Rates | | | | | | | | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 54.4 |
| Higher | | | | | | | | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 23.2 |
| Same | | | | | | | | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.4 |
| Lower | | | | | | | | | | | | | |
| Stock Prices | | | | | | | | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 32.8 |
| Increase | | | | | | | | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.4 |
| Same | | | | | | | | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 39.8 |
| Decrease | | | | | | | | | | | | | |

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| Seasonally adjusted index numbers: 1985 = 100 | 1986 Nov. | 1986 Dec. | 1987 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct.(r) | Nov.(p) | 3 mos. Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 89.7 | 93.2 | 85.4 | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 96.3 | 2.7 |
| Present Situation | 86.2 | 94.7 | 85.0 | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 108.3 | 7.1 |
| Expectations | 92.0 | 92.2 | 85.6 | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 88.3 | -0.5 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 92.3 | 99.0 | 91.1 | 94.9 | 107.2 | 102.3 | 107.5 | 112.0 | 114.5 | 111.2 | 120.7 | 122.3 | 105.7 | 3.3 |
| 35-54 | 95.6 | 95.7 | 93.0 | 99.0 | 97.0 | 102.3 | 105.1 | 107.9 | 108.0 | 115.7 | 120.0 | 113.9 | 98.2 | 0.2 |
| 55 and over | 79.6 | 83.3 | 72.0 | 79.0 | 82.5 | 85.8 | 93.8 | 87.1 | 93.8 | 102.7 | 102.5 | 107.2 | 85.3 | 4.0 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 89.5 | 96.7 | 92.2 | 93.2 | 108.8 | 94.4 | 99.1 | 115.8 | 111.4 | 116.9 | 126.3 | 130.6 | 115.6 | 8.2 |
| 35-54 | 93.9 | 98.0 | 96.3 | 105.2 | 98.5 | 100.5 | 100.6 | 115.0 | 108.7 | 121.6 | 128.2 | 123.6 | 103.5 | 2.9 |
| 55 and over | 76.4 | 90.2 | 70.2 | 78.6 | 81.1 | 84.7 | 97.7 | 97.0 | 101.1 | 108.7 | 106.7 | 120.0 | 108.4 | 9.2 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 94.1 | 100.7 | 90.4 | 95.9 | 106.3 | 107.6 | 113.1 | 109.4 | 116.6 | 107.4 | 117.0 | 116.7 | 99.1 | -0.2 |
| 35-54 | 96.8 | 94.0 | 90.9 | 95.4 | 96.1 | 103.6 | 108.1 | 103.2 | 107.6 | 111.8 | 114.4 | 107.4 | 94.7 | -1.8 |
| 55 and over | 81.8 | 78.5 | 73.2 | 79.3 | 83.4 | 86.6 | 91.1 | 80.4 | 89.0 | 98.7 | 99.7 | 98.5 | 69.8 | 0.0 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 69.9 | 71.5 | 64.5 | 77.2 | 78.5 | 74.1 | 84.3 | 80.6 | 86.3 | 78.3 | 88.0 | 87.1 | 71.9 | 0.7 |
| $15,000-24,999 | 88.3 | 93.2 | 78.9 | 87.8 | 87.8 | 90.0 | 99.0 | 98.5 | 92.6 | 100.4 | 106.2 | 113.8 | 90.9 | 6.6 |
| $25,000 and over | 102.5 | 106.5 | 100.7 | 102.7 | 108.9 | 114.4 | 115.4 | 117.9 | 123.4 | 130.3 | 131.8 | 128.6 | 111.9 | 0.2 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 53.5 | 63.0 | 51.1 | 67.3 | 58.9 | 57.3 | 66.5 | 76.2 | 79.3 | 74.9 | 77.4 | 82.5 | 74.3 | 1.7 |
| $15,000-24,999 | 79.3 | 89.7 | 72.4 | 78.6 | 82.8 | 76.2 | 91.2 | 100.5 | 87.7 | 96.0 | 109.7 | 119.0 | 94.7 | 13.8 |
| $25,000 and over | 109.5 | 117.7 | 112.0 | 113.3 | 120.6 | 121.8 | 122.4 | 132.8 | 132.6 | 143.1 | 145.5 | 146.3 | 132.8 | 3.9 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 81.0 | 77.4 | 73.0 | 83.0 | 90.5 | 85.1 | 96.4 | 83.6 | 91.2 | 80.7 | 95.5 | 90.5 | 70.4 | 0.3 |
| $15,000-24,999 | 94.4 | 95.6 | 83.1 | 93.2 | 91.0 | 99.1 | 104.2 | 97.2 | 96.0 | 103.6 | 103.9 | 110.4 | 88.3 | 1.9 |
| $25,000 and over | 97.4 | 98.7 | 93.7 | 96.3 | 101.8 | 109.6 | 110.7 | 107.7 | 117.1 | 121.8 | 122.4 | 116.5 | 97.9 | -2.8 |

***Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

## THE REGIONS

| Seasonally unadjusted Index numbers:1985 = 100 | 1986 Nov. | 1986 Dec. | 1987 Jan. | 1987 Feb. | 1987 Mar | 1987 Apr. | 1987 May | 1987 June | 1987 July | 1987 Aug. | 1987 Sep. | 1987 Oct.(r) | 1987 Nov.(p) | Avg. Sept., Oct., Nov. 1986 | Avg. Sept., Oct., Nov. 1987 | Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 150.5 | 142.7 | 155.3 | 154.9 | 152.8 | 137.3 | 150.5 | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 144.4 | 142.4 | 154.3 | 8.4 |
| Present Situation | 199.6 | 195.8 | 192.6 | 199.9 | 191.2 | 180.4 | 192.6 | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 197.1 | 189.0 | 205.0 | 8.5 |
| Expectations | 117.6 | 107.2 | 130.5 | 125.0 | 127.2 | 108.5 | 122.5 | 125.4 | 123.0 | 116.5 | 124.6 | 127.6 | 109.3 | 111.3 | 120.5 | 8.3 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 98.0 | 100.0 | 86.9 | 92.9 | 95.9 | 102.3 | 98.8 | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 98.8 | 94.6 | 113.6 | 20.1 |
| Present Situation | 102.3 | 107.7 | 94.2 | 92.3 | 95.9 | 104.5 | 109.4 | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 118.7 | 102.8 | 136.9 | 33.2 |
| Expectations | 95.2 | 94.9 | 82.0 | 93.4 | 95.9 | 100.8 | 91.7 | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 85.5 | 89.1 | 98.0 | 10.0 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 77.8 | 72.5 | 68.6 | 77.7 | 85.9 | 79.4 | 86.4 | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 83.4 | 73.1 | 96.7 | 32.3 |
| Present Situation | 73.9 | 76.6 | 61.0 | 72.4 | 77.7 | 73.1 | 79.8 | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 92.8 | 72.4 | 106.8 | 47.6 |
| Expectations | 80.4 | 69.6 | 73.6 | 81.2 | 91.4 | 83.6 | 90.8 | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 77.1 | 73.6 | 89.9 | 22.2 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 60.3 | 59.9 | 56.5 | 61.9 | 62.4 | 65.4 | 77.6 | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 74.0 | 53.0 | 85.3 | 61.0 |
| Present Situation | 44.2 | 43.3 | 40.9 | 51.1 | 38.9 | 40.0 | 54.0 | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 74.1 | 43.7 | 86.8 | 98.4 |
| Expectations | 71.1 | 70.9 | 66.9 | 69.0 | 78.1 | 82.4 | 93.3 | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 73.9 | 59.1 | 84.2 | 42.5 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 125.1 | 125.0 | 125.2 | 124.9 | 130.6 | 133.1 | 135.5 | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 125.5 | 125.9 | 138.1 | 9.7 |
| Present Situation | 143.5 | 146.3 | 139.6 | 140.8 | 154.9 | 157.4 | 154.3 | 147.4 | 156.9 | 162.1 | 168.8 | 176.1 | 162.6 | 146.6 | 169.2 | 15.4 |
| Expectations | 112.8 | 110.8 | 115.6 | 114.3 | 114.4 | 117.0 | 122.9 | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 100.8 | 112.1 | 117.4 | 4.8 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 76.8 | 74.9 | 75.0 | 65.7 | 95.3 | 87.8 | 86.9 | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 88.7 | 80.0 | 93.9 | 17.3 |
| Present Situation | 63.9 | 69.0 | 62.0 | 63.8 | 72.8 | 61.8 | 71.8 | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 86.8 | 65.4 | 84.7 | 29.4 |
| Expectations | 85.4 | 78.9 | 83.7 | 100.2 | 110.3 | 105.1 | 96.9 | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 90.0 | 89.8 | 100.1 | 11.5 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 52.5 | 56.2 | 57.1 | 63.0 | 59.3 | 63.1 | 65.7 | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 71.3 | 53.6 | 77.4 | 44.4 |
| Present Situation | 12.7 | 22.6 | 12.0 | 10.8 | 16.7 | 9.8 | 13.4 | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 32.5 | 16.9 | 28.9 | 71.4 |
| Expectations | 79.0 | 78.6 | 87.2 | 97.8 | 87.7 | 98.7 | 100.6 | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.2 | 78.1 | 109.7 | 40.5 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 79.0 | 71.5 | 71.4 | 70.6 | 76.2 | 78.3 | 86.1 | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 73.0 | 77.5 | 92.4 | 19.3 |
| Present Situation | 56.7 | 50.3 | 62.4 | 39.4 | 49.4 | 44.8 | 55.6 | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 60.2 | 61.7 | 78.7 | 27.7 |
| Expectations | 93.8 | 85.7 | 77.5 | 91.4 | 94.1 | 100.6 | 106.4 | 100.7 | 91.6 | 100.3 | 116.3 | 106.8 | 81.6 | 83.1 | 101.6 | 15.3 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 106.8 | 96.9 | 103.2 | 110.6 | 107.1 | 105.2 | 106.5 | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 122.6 | 104.7 | 124.3 | 18.7 |
| Present Situation | 108.8 | 103.6 | 103.3 | 108.5 | 101.0 | 105.5 | 112.9 | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 151.2 | 115.2 | 150.5 | 30.7 |
| Expectations | 105.4 | 92.4 | 103.1 | 112.1 | 111.1 | 105.0 | 102.3 | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 103.6 | 97.8 | 106.9 | 9.3 |

**To combine the survey results of two or more regions the following "weights" should be used. The figures shown represent the distribution of the nation's household population. New England: 5.6, Middle Atlantic: 15.9, East North Central: 17.6, West North Central: 7.6, South Atlantic: 17.1, East South Central: 6.1, West South Central: 10.9, Mountain: 5.1, Pacific: 14.1.**

***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

2/26/88 R4105-4

# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**January 1988**

## CONFIDENCE ON THE REBOUND

The measure of consumer confidence, which dropped sharply following the worldwide financial crash, regained almost half its loss in December. The current reading of The Board's Index (1985 = 100) is 105.8, up a full five points from November. In October, the figure was 115.1. As compared with a month ago consumers are now moderately more positive in their assessment of the ongoing situation and appreciably more optimistic in their expectations for the immediate period ahead.

On the issue of the prevailing business climate, public opinion has not changed very much. Slightly fewer persons than last month say conditions are "bad," but a smaller number say they are "good." However, optimists still outnumber pessimists here by a significant margin. On the issue of employment, opinion is split more or less equally. Roughly a quarter of all respondents report that jobs are "plentiful," roughly another quarter complain that they are "hard to get." Overall, people are now about as positive in their views of prevailing circumstances as in the months preceding the crash.

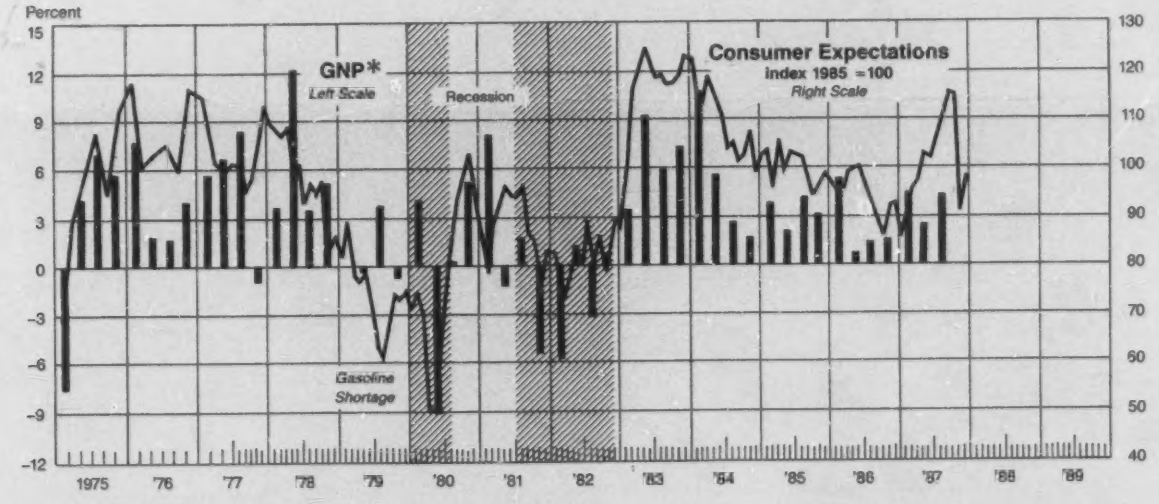
However, in looking ahead to the next six months, consumers are still less optimistic than they were before the great fall. In December, some 9.4% of those interviewed feared that business conditions would worsen. While this is higher than recorded prior to mid-October, it is an improvement over the 12.4% recorded in November. Similarly, consumers are not quite as concerned about jobs as in November, but neither are they as secure as prior to the crash.

Moderately fewer people in December were concerned that their income would decrease—8.5%, down from 9.1% in November. But in October, such apprehension was voiced by only about 7% of respondents.

Though it may still be too soon to be certain, recent survey results suggest that the crash is likely to have only a moderate effect on consumer behavior. Had the loss of confidence in November continued into December, as many feared it would, the cutback in consumer spending might well have precipitated recession. The impressive rebound in the consumer's spirits after the initial shock is largely to be explained by the vigor of the economy—to high employment and low inflation. Jobs and prices significantly affect the consumer's sense of security. Both were working for us in the great market crash of 1987.

Fabian Linden

### Consumer Expectations and Changes in GNP




* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

## Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

Business Employment Income

| All series seasonally adjusted | 1986 Dec. | 1987 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov.(r) | Dec(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Composite Series: Index Numbers, 1985 = 100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 93.2 | 85.4 | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 105.8 |
| **Present Situation** | 94.7 | 85.0 | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 117.7 |
| **Expectations** | 92.2 | 85.6 | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 97.9 |
| **Buying Plans Index** | 103.6 | 98.9 | 93.1 | 98.7 | 89.7 | 113.4 | 94.5 | 96.0 | 96.5 | 108.7 | 104.9 | 102.5 | 90.9 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 24.7 | 20.9 | 24.8 | 24.0 | 23.3 | 25.2 | 28.9 | 26.1 | 28.5 | 29.9 | 30.9 | 26.4 | 24.4 |
| Bad | 25.1 | 28.1 | 26.1 | 26.4 | 24.7 | 24.6 | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 20.3 | 18.7 |
| Normal | 50.2 | 51.0 | 49.1 | 49.6 | 52.0 | 50.2 | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.3 | 56.9 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 20.9 | 19.6 | 20.8 | 21.9 | 20.5 | 21.9 | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 26.8 | 26.4 |
| Jobs not so plentiful | 46.8 | 46.2 | 45.1 | 45.6 | 46.7 | 47.9 | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 47.0 | 49.3 |
| Jobs hard to get | 32.3 | 34.2 | 34.1 | 32.5 | 32.8 | 30.2 | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 26.2 | 24.3 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 18.3 | 16.0 | 19.0 | 18.2 | 18.8 | 20.8 | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 18.3 | 19.2 |
| Worse | 10.7 | 11.1 | 10.2 | 9.1 | 7.3 | 7.8 | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.4 | 9.4 |
| Same | 71.0 | 72.9 | 70.8 | 72.7 | 73.9 | 71.4 | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.3 | 71.4 |
| Employment | | | | | | | | | | | | | |
| More jobs | 14.8 | 12.6 | 14.7 | 14.9 | 16.5 | 17.7 | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.5 | 16.5 |
| Fewer jobs | 18.4 | 19.0 | 19.7 | 15.6 | 15.6 | 14.1 | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.1 | 17.0 |
| Same | 66.8 | 68.4 | 65.6 | 69.5 | 67.9 | 68.2 | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 65.4 | 66.5 |
| Income | | | | | | | | | | | | | |
| Increase | 25.6 | 21.1 | 24.6 | 24.5 | 23.3 | 24.1 | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 28.0 | 27.4 |
| Decrease | 8.6 | 8.4 | 8.3 | 8.1 | 8.3 | 6.6 | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.1 | 8.5 |
| Same | 65.8 | 70.5 | 67.1 | 67.4 | 68.4 | 69.3 | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 62.9 | 64.1 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.9 | 7.4 | 7.8 | 7.5 | 7.2 | 9.0 | 7.0 | 7.7 | 7.1 | 8.6 | 8.5 | 8.2 | 7.6 |
| New | 4.6 | 3.4 | 4.0 | 4.0 | 4.3 | 4.2 | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 4.3 | 4.4 |
| Used | 2.5 | 2.6 | 2.9 | 2.8 | 2.2 | 3.6 | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.8 | 2.5 |
| Uncertain | 0.7 | 1.4 | 0.9 | 0.7 | 0.7 | 1.2 | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 |
| Home | | | | | | | | | | | | | |
| Yes | 4.3 | 4.4 | 3.1 | 4.1 | 3.2 | 4.1 | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.7 | 3.2 |
| New | 1.1 | 1.5 | 1.1 | 1.4 | 0.7 | 1.3 | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 1.0 | 0.7 |
| Lived in | 2.1 | 1.9 | 1.3 | 2.0 | 1.7 | 1.8 | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 2.0 | 1.4 |
| Uncertain | 1.1 | 1.0 | 0.7 | 0.7 | 0.8 | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.7 | 1.1 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 30.8 | 28.5 | 29.1 | 29.1 | 27.4 | 36.3 | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 31.1 | 25.1 |
| Refrigerator | 4.4 | 5.3 | 5.2 | 4.6 | 4.0 | 5.6 | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.3 | 3.7 |
| Washing machine | 4.4 | 4.2 | 3.8 | 4.3 | 3.6 | 4.8 | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 4.4 | 3.0 |
| TV Set | 7.8 | 6.8 | 7.7 | 7.1 | 6.5 | 9.2 | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.9 | 6.9 |
| Vacuum Cleaner | 5.6 | 4.3 | 4.8 | 5.5 | 5.2 | 6.4 | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.6 | 5.0 |
| Range | 3.2 | 3.0 | 2.8 | 2.5 | 3.3 | 3.9 | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.2 | 2.4 |
| Clothes dryer | 3.7 | 3.3 | 3.3 | 3.7 | 3.0 | 4.1 | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.7 | 2.4 |
| Air conditioner | 1.7 | 1.6 | 1.5 | 1.4 | 1.8 | 2.3 | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 2.0 | 1.7 |
| Carpet | 7.7 | 7.7 | 7.0 | 8.2 | 6.0 | 10.0 | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 | 6.9 |
| **Vacation Intended Within Six Months: Percent** | | | | | | | | | | | | | |
| Vacation Intended | 49.4 | | 50.9 | | 49.4 | | 49.7 | | 52.0 | | 54.3 | | 46.4 |
| Destination | | | | | | | | | | | | | |
| U.S. | 44.1 | | 46.8 | | 44.5 | | 45.4 | | 47.0 | | 48.3 | | 42.7 |
| Foreign country | 6.6 | | 5.9 | | 6.8 | | 6.6 | | 6.8 | | 7.8 | | 8.3 |
| Means of travel | | | | | | | | | | | | | |
| Automobile | 30.3 | | 33.2 | | 29.8 | | 30.7 | | 30.6 | | 32.7 | | 27.0 |
| Airplane | 18.9 | | 18.4 | | 19.5 | | 20.9 | | 21.3 | | 20.7 | | 18.4 |
| Other | 3.7 | | 4.3 | | 4.6 | | 3.7 | | 4.2 | | 4.4 | | 3.8 |

(p)—preliminary (r)—revised

Inflation Interest Rates Stock Prices

| Not seasonally adjusted | 1986 Dec. | 1987 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov.(r) | Dec(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expectations for Twelve Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | | | | | | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | | | | | | | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 57.9 |
| Same | | | | | | | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 22.8 | 24.4 |
| Lower | | | | | | | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.7 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | | | | | | | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 32.8 |
| Same | | | | | | | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 |
| Decrease | | | | | | | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.6 |

## CONSUMER CONFIDENCE BY REGION

| Seasonally unadjusted Index numbers: 1985 = 100 | 1986 Dec. | 1987 Jan. | Feb. | Mar | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov.(r) | Dec.(p) | Avg. 1986 | Avg. 1987 | Oct., Nov., Dec. Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 142.7 | 155.3 | 154.9 | 152.8 | 137.3 | 150.5 | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 147.5 | 145.5 | 149.7 | 2.9 |
| Present Situation | 195.8 | 192.6 | 199.9 | 191.2 | 180.4 | 192.6 | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 203.3 | 193.9 | 204.2 | 5.3 |
| Expectations | 107.2 | 130.5 | 125.0 | 127.2 | 108.5 | 122.5 | 125.4 | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.3 | 113.2 | 113.4 | 0.2 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 100.0 | 86.9 | 92.9 | 95.9 | 102.3 | 98.8 | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 107.0 | 95.4 | 110.8 | 16.2 |
| Present Situation | 107.7 | 94.2 | 92.3 | 95.9 | 104.5 | 109.4 | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 136.3 | 102.6 | 138.6 | 35.1 |
| Expectations | 94.9 | 82.0 | 93.4 | 95.9 | 100.8 | 91.7 | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 87.5 | 90.5 | 92.3 | 2.0 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 72.5 | 68.6 | 77.7 | 85.9 | 79.4 | 86.4 | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 88.5 | 73.1 | 93.4 | 27.8 |
| Present Situation | 76.6 | 61.0 | 72.4 | 77.7 | 73.1 | 79.8 | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 98.2 | 73.1 | 104.5 | 43.0 |
| Expectations | 69.6 | 73.6 | 81.2 | 91.4 | 83.6 | 90.8 | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.0 | 73.1 | 86.0 | 17.7 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 59.9 | 56.5 | 61.9 | 62.4 | 65.4 | 77.6 | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 66.9 | 57.1 | 76.7 | 34.4 |
| Present Situation | 43.3 | 40.9 | 51.1 | 38.9 | 40.0 | 54.0 | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 69.3 | 44.2 | 80.4 | 81.9 |
| Expectations | 70.9 | 66.9 | 69.0 | 78.1 | 82.4 | 93.3 | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 65.3 | 65.7 | 74.3 | 13.0 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 125.0 | 125.2 | 124.9 | 130.6 | 133.1 | 135.5 | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 128.9 | 125.1 | 135.9 | 8.7 |
| Present Situation | 146.3 | 139.6 | 140.8 | 154.9 | 157.4 | 154.3 | 147.4 | 156.9 | 162.1 | 168.8 | 176.1 | 168.6 | 160.3 | 145.0 | 168.3 | 16.1 |
| Expectations | 110.8 | 115.6 | 114.3 | 114.4 | 117.0 | 122.9 | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 108.0 | 111.8 | 114.3 | 2.2 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 74.9 | 75.0 | 85.7 | 95.3 | 87.8 | 86.9 | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 97.2 | 79.4 | 95.2 | 19.9 |
| Present Situation | 69.0 | 62.0 | 63.8 | 72.8 | 61.8 | 71.8 | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 89.6 | 67.1 | 88.7 | 32.3 |
| Expectations | 78.9 | 83.7 | 100.2 | 110.3 | 105.1 | 96.9 | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 102.3 | 87.6 | 99.5 | 13.6 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 56.2 | 57.1 | 63.0 | 59.3 | 63.1 | 65.7 | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 66.3 | 53.8 | 71.6 | 33.0 |
| Present Situation | 22.6 | 12.0 | 10.8 | 16.7 | 9.8 | 13.4 | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 28.5 | 24.9 | 17.7 | 26.5 | 49.7 |
| Expectations | 78.6 | 87.2 | 97.8 | 87.7 | 98.7 | 100.6 | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 93.9 | 77.9 | 101.6 | 30.5 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 71.5 | 71.4 | 70.6 | 76.2 | 78.3 | 86.1 | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 76.4 | 83.3 | 77.5 | 87.0 | 12.3 |
| Present Situation | 50.3 | 62.4 | 39.4 | 49.4 | 44.8 | 55.6 | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 72.7 | 58.2 | 77.8 | 33.7 |
| Expectations | 85.7 | 77.5 | 91.4 | 94.1 | 100.6 | 106.4 | 100.7 | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 90.4 | 90.4 | 93.2 | 3.1 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 96.9 | 103.2 | 110.6 | 107.1 | 105.2 | 106.5 | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 120.2 | 102.3 | 123.7 | 20.9 |
| Present Situation | 103.6 | 103.3 | 108.5 | 101.0 | 105.5 | 112.9 | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 146.8 | 110.1 | 150.1 | 36.4 |
| Expectations | 92.4 | 103.1 | 112.1 | 111.1 | 105.0 | 102.3 | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 102.5 | 97.1 | 106.0 | 9.2 |

***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| Seasonally adjusted index numbers: 1985 = 100 | 1986 | 1987 | | | | | | | | | | | | 3 mos. Percent, Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov.(r) | Dec.(p) | |
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 93.2 | 85.4 | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 105.8 | -3.2 |
| Present Situation | 94.7 | 85.0 | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 117.7 | 4.5 |
| Expectations | 92.2 | 85.6 | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 97.9 | -8.6 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 99.0 | 91.1 | 94.9 | 107.2 | 102.3 | 107.5 | 112.0 | 114.5 | 111.2 | 120.7 | 122.3 | 110.2 | 117.7 | 1.1 |
| 35-54 | 95.7 | 93.0 | 99.0 | 97.0 | 102.3 | 105.1 | 107.9 | 108.0 | 115.7 | 120.0 | 113.9 | 103.5 | 106.1 | -5.8 |
| 55 and over | 83.3 | 72.0 | 79.0 | 82.5 | 85.8 | 93.8 | 87.1 | 93.8 | 102.7 | 102.5 | 107.2 | 86.7 | 94.9 | -3.4 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 96.7 | 92.2 | 93.2 | 108.8 | 94.4 | 99.1 | 115.8 | 111.4 | 116.9 | 126.3 | 130.6 | 123.0 | 126.5 | 7.2 |
| 35-54 | 98.0 | 96.3 | 105.2 | 98.5 | 100.5 | 100.6 | 115.0 | 108.7 | 121.6 | 128.2 | 123.6 | 114.4 | 115.7 | -1.3 |
| 55 and over | 90.2 | 70.2 | 78.6 | 81.1 | 84.7 | 97.7 | 97.0 | 101.1 | 108.7 | 106.7 | 120.0 | 111.0 | 114.4 | 9.1 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 100.7 | 90.4 | 95.9 | 106.3 | 107.6 | 113.1 | 109.4 | 116.6 | 107.4 | 117.0 | 116.7 | 101.6 | 111.9 | -3.2 |
| 35-54 | 94.0 | 90.9 | 95.4 | 96.1 | 103.6 | 108.1 | 103.2 | 107.6 | 111.8 | 114.4 | 107.4 | 96.2 | 99.8 | -9.1 |
| 55 and over | 78.5 | 73.2 | 79.3 | 83.4 | 86.6 | 91.1 | 80.4 | 89.0 | 98.7 | 99.7 | 98.5 | 70.4 | 81.8 | -12.7 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 71.5 | 64.5 | 77.2 | 78.5 | 74.1 | 84.3 | 80.6 | 86.3 | 78.3 | 88.0 | 87.1 | 74.6 | 81.4 | -3.7 |
| $15,000-24,999 | 93.2 | 78.9 | 87.8 | 87.8 | 90.0 | 99.0 | 98.5 | 92.6 | 100.4 | 106.2 | 113.8 | 97.8 | 104.2 | 5.5 |
| $25,000 and over | 106.5 | 100.7 | 102.7 | 108.9 | 114.4 | 115.4 | 117.9 | 123.4 | 130.3 | 131.8 | 128.6 | 114.7 | 118.7 | -6.1 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 63.0 | 51.1 | 67.3 | 58.9 | 57.3 | 66.5 | 76.2 | 79.3 | 74.9 | 77.4 | 82.5 | 74.9 | 78.3 | 1.8 |
| $15,000-24,999 | 89.7 | 72.4 | 78.6 | 82.8 | 76.2 | 91.2 | 100.5 | 87.7 | 96.0 | 109.7 | 119.0 | 104.2 | 110.6 | 13.8 |
| $25,000 and over | 117.7 | 112.0 | 113.3 | 120.6 | 121.8 | 122.4 | 132.8 | 132.6 | 143.1 | 145.5 | 146.3 | 140.2 | 141.7 | 1.7 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 77.4 | 73.0 | 83.0 | 90.5 | 85.1 | 90.4 | 83.6 | 91.2 | 80.7 | 95.5 | 90.5 | 74.4 | 83.9 | -6.9 |
| $15,000-24,999 | 95.6 | 83.1 | 93.2 | 91.0 | 92.1 | 104.2 | 97.2 | 96.0 | 103.6 | 103.9 | 110.4 | 93.5 | 100.2 | 0.2 |
| $25,000 and over | 98.7 | 93.7 | 96.3 | 101.8 | 109.6 | 110.7 | 107.7 | 117.1 | 121.8 | 122.4 | 116.5 | 97.6 | 103.2 | -12.2 |

***Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**February 1988**

## CONSUMERS' SPIRITS CONTINUE TO IMPROVE

The Consumer Confidence Index (1985 = 100) registered a further gain in January. The current reading is 110.9, up slightly more than three points from December. Although the level of confidence is still lower than it was before the Wall Street crash, some two-thirds of the loss has now been regained. In the most recent survey, consumers were more comfortable than a month earlier with ongoing business conditions, and more hopeful in their expectations for the first half of the New Year.

In January, some 26.4% of all respondents considered current business conditions to be "good," only 17.8% said that they were "bad." Both readings are more favorable than in the preceding probe. More respondents reported that jobs were "plentiful" in January, but there was also a rise in complaints that jobs were "hard to get."

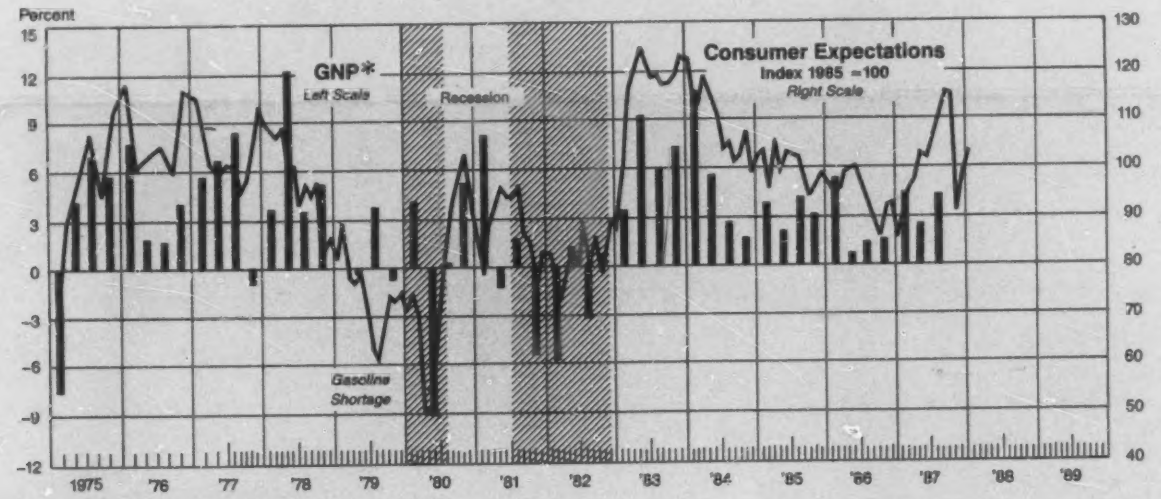
Consumers are somewhat more optimistic in their expectations for the coming months. Concerning business conditions, slightly fewer respondents than last time believe that they will improve in the period to come, but also fewer respondents are concerned that they will worsen. About the same number of people as previously expect more jobs to become available, but there was a decline in the number that anticipate fewer jobs. Similarly, slightly fewer respondents expect their earnings to increase in the months to come, but fewer also anticipate a decrease. Overall, the index of consumer expectations was up moderately in January, but it is still below the September level.

Buying plans are mixed to softer. Intentions to buy a major appliance in the immediate months ahead were about the same in January as in December. Plans to purchase a car, however, were down. Interest in homes, which had been declining in recent months, strengthened in January.

The continued improvement in the consumer's spirits, despite the persisting turbulence in financial markets, can probably be explained by the vigor of the economy. Some 114 million people were employed in January, some 3 million more than a year ago. The unemployment rate has dropped below 6%, the lowest figure in a long time. The nation's industries are operating at better than 82% of capacity, the best level in about eight years. The declining dollar is apparently resulting in growing export volume. Meanwhile, the inflation rate continues to remain modest. Employment and the sustained buying power of the dollar have a lot to do with the measure of consumer confidence.

Fabian Linden

### Consumer Expectations and Changes in GNP




* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**

Percentage of all households = 100%

| All series seasonally adjusted | 1987 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec.(r) | 1988 Jan.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Business | | Employment | | | | Income |
| **Composite Series: Index Numbers, 1985 = 100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 85.4 | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 110.9 |
| **Present Situation** | 85.0 | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 122.6 |
| **Expectations** | 85.6 | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 103.2 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 20.9 | 24.8 | 24.0 | 23.3 | 25.2 | 28.9 | 26.1 | 28.5 | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 |
| Bad | 28.1 | 26.1 | 26.4 | 24.7 | 24.6 | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 20.3 | 18.5 | 17.8 |
| Normal | 51.0 | 49.1 | 49.6 | 52.0 | 50.2 | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.3 | 56.7 | 55.8 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 19.6 | 20.8 | 21.9 | 20.5 | 21.9 | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 26.8 | 27.0 | 29.8 |
| Jobs not so plentiful | 46.2 | 45.1 | 45.6 | 46.7 | 47.9 | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 47.0 | 49.4 | 44.6 |
| Jobs hard to get | 34.2 | 34.1 | 32.5 | 32.8 | 30.2 | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 26.2 | 23.6 | 25.6 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 16.0 | 19.0 | 18.2 | 18.8 | 20.8 | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 18.3 | 19.9 | 19.0 |
| Worse | 11.1 | 10.2 | 9.1 | 7.3 | 7.8 | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.4 | 9.2 | 7.9 |
| Same | 72.9 | 70.8 | 72.7 | 73.9 | 71.4 | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.3 | 70.9 | 73.1 |
| Employment | | | | | | | | | | | | | |
| More jobs | 12.6 | 14.7 | 14.9 | 16.5 | 17.7 | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.5 | 16.8 | 16.6 |
| Fewer jobs | 19.0 | 19.7 | 15.6 | 15.6 | 14.1 | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.1 | 16.6 | 15.2 |
| Same | 68.4 | 65.6 | 69.5 | 67.9 | 68.2 | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 |
| Income | | | | | | | | | | | | | |
| Increase | 21.1 | 24.6 | 24.5 | 23.3 | 24.1 | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 28.0 | 28.3 | 26.4 |
| Decrease | 8.4 | 8.3 | 8.1 | 8.3 | 6.6 | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.1 | 8.4 | 6.4 |
| Same | 70.5 | 67.1 | 67.4 | 68.4 | 69.3 | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 62.9 | 63.3 | 67.2 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.4 | 7.8 | 7.5 | 7.2 | 9.0 | 7.0 | 7.7 | 7.1 | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 |
| New | 3.4 | 4.0 | 4.0 | 4.3 | 4.2 | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 4.3 | 4.5 | 4.0 |
| Used | 2.6 | 2.9 | 2.8 | 2.2 | 3.6 | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.8 | 3.0 | 2.7 |
| Uncertain | 1.4 | 0.9 | 0.7 | 0.7 | 1.2 | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 |
| Home | | | | | | | | | | | | | |
| Yes | 4.4 | 3.1 | 4.1 | 3.2 | 4.1 | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.7 | 3.5 | 3.9 |
| New | 1.5 | 1.1 | 1.4 | 0.7 | 1.3 | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 1.5 |
| Lived in | 1.9 | 1.3 | 2.0 | 1.7 | 1.8 | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 |
| Uncertain | 1.0 | 0.7 | 0.7 | 0.8 | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.7 | 1.0 | 0.7 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 28.5 | 29.1 | 29.1 | 27.4 | 36.3 | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 31.1 | 28.2 | 28.7 |
| Refrigerator | 5.3 | 5.2 | 4.6 | 4.0 | 5.6 | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.3 | 4.1 | 4.6 |
| Washing machine | 4.2 | 3.8 | 4.3 | 3.6 | 4.8 | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 4.4 | 3.3 | 4.4 |
| TV Set | 6.8 | 7.7 | 7.1 | 6.5 | 9.2 | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 |
| Vacuum Cleaner | 4.3 | 4.8 | 5.5 | 5.2 | 6.4 | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.6 | 5.5 | 4.2 |
| Range | 3.0 | 2.8 | 2.5 | 3.3 | 3.9 | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.2 | 2.8 | 2.8 |
| Clothes dryer | 3.3 | 3.3 | 3.7 | 3.0 | 4.1 | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.7 | 3.1 | 3.8 |
| Air conditioner | 1.6 | 1.5 | 1.4 | 1.8 | 2.3 | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 |
| Carpet | 7.7 | 7.0 | 8.2 | 6.0 | 10.0 | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 | 7.7 | 8.5 |
| **Vacation Intended Within Six Months: Percent** | | | | | | | | | | | | | |
| Vacation Intended | | 50.9 | | 49.4 | | 49.7 | | 52.0 | | 54.3 | | 46.9 | |
| Destination | | | | | | | | | | | | | |
| U.S. | | 46.8 | | 44.5 | | 45.4 | | 47.0 | | 48.3 | | 43.1 | |
| Foreign country | | 5.9 | | 6.8 | | 6.6 | | 6.8 | | 7.8 | | 8.1 | |
| Means of travel | | | | | | | | | | | | | |
| Automobile | | 33.2 | | 29.8 | | 30.7 | | 30.6 | | 32.7 | | 27.6 | |
| Airplane | | 18.4 | | 19.5 | | 20.9 | | 21.3 | | 20.7 | | 18.6 | |
| Other | | 4.3 | | 4.6 | | 3.7 | | 4.2 | | 4.4 | | 3.6 | |

(p)—preliminary (r)—revised

| Inflation | Interest Rates | Stock Prices | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 1987 | | | | | | | 1988 |
| *Not seasonally adjusted* | *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May* | *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.(r)* | *Jan.(p)* |
| | | | | | | **Expectations for Twelve Months Hence: Percent** | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | | | | | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | | | | | | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 59.2 |
| Same | | | | | | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 22.8 | 24.1 | 24.5 |
| Lower | | | | | | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.3 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | | | | | | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.2 |
| Same | | | | | | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 30.9 |
| Decrease | | | | | | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 32.9 |

## CONSUMER CONFIDENCE BY REGION

| | 1987 | | | | | | | | | | | | 1988 | Avg. | Nov., | Dec., Jan. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Seasonally unadjusted index numbers:1985 = 100* | *Jan.* | *Feb.* | *Mar* | *Apr.* | *May* | *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.(r)* | *Jan.(p)* | *1987* | *1988* | *Percent Change** |
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 155.3 | 154.9 | 152.8 | 137.3 | 150.5 | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 148.2 | 155.7 | 149.5 | 148.5 | – 0.6 |
| Present Situation | 192.6 | 199.9 | 191.2 | 180.4 | 192.6 | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 202.6 | 196.0 | 202.6 | 3.4 |
| Expectations | 130.5 | 125.0 | 127.2 | 108.5 | 122.5 | 125.4 | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.6 | 124.5 | 118.5 | 112.5 | – 5.0 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 86.9 | 92.9 | 95.9 | 102.3 | 98.8 | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 115.3 | 95.0 | 108.5 | 14.3 |
| Present Situation | 94.2 | 92.3 | 95.9 | 104.5 | 109.4 | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 141.7 | 101.4 | 135.5 | 33.6 |
| Expectations | 82.0 | 93.4 | 95.9 | 100.8 | 91.7 | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 89.8 | 97.7 | 90.7 | 90.6 | – 0.2 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 69.6 | 77.7 | 85.9 | 79.4 | 86.4 | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 104.5 | 72.9 | 93.5 | 28.1 |
| Present Situation | 61.0 | 72.4 | 77.7 | 73.1 | 79.8 | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 114.8 | 70.5 | 103.5 | 46.9 |
| Expectations | 73.6 | 81.2 | 91.4 | 83.6 | 90.8 | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 97.7 | 74.6 | 86.8 | 16.3 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 56.5 | 61.9 | 62.4 | 65.4 | 77.6 | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 91.9 | 58.9 | 79.1 | 34.3 |
| Present Situation | 40.9 | 51.1 | 38.9 | 40.0 | 54.0 | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 78.6 | 42.8 | 76.9 | 79.7 |
| Expectations | 66.9 | 69.0 | 78.1 | 82.4 | 93.3 | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 100.8 | 69.6 | 80.5 | 15.6 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 125.2 | 124.9 | 130.6 | 133.1 | 135.5 | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 131.4 | 125.1 | 131.3 | 5.0 |
| Present Situation | 139.6 | 140.8 | 154.9 | 157.4 | 154.3 | 147.4 | 156.9 | 162.1 | 168.8 | 176.1 | 168.6 | 164.8 | 158.5 | 143.1 | 164.0 | 14.6 |
| Expectations | 115.6 | 114.3 | 114.4 | 117.0 | 122.9 | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 113.3 | 113.1 | 109.5 | – 3.1 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 75.0 | 85.7 | 95.3 | 87.8 | 86.9 | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 93.8 | 75.6 | 94.9 | 25.6 |
| Present Situation | 62.0 | 63.8 | 72.8 | 61.8 | 71.8 | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 73.2 | 64.9 | 84.8 | 30.5 |
| Expectations | 83.7 | 100.2 | 110.3 | 105.1 | 96.9 | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 107.5 | 82.7 | 101.7 | 23.0 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 57.1 | 63.0 | 59.3 | 63.1 | 65.7 | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 73.1 | 55.3 | 70.6 | 27.8 |
| Present Situation | 12.0 | 10.8 | 16.7 | 9.8 | 13.4 | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 28.5 | 27.7 | 25.9 | 15.7 | 27.3 | 73.7 |
| Expectations | 87.2 | 97.8 | 87.7 | 98.7 | 100.6 | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 104.5 | 81.6 | 99.5 | 21.8 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 71.4 | 70.6 | 76.2 | 78.3 | 86.1 | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 76.4 | 85.7 | 89.0 | 74.0 | 83.7 | 13.1 |
| Present Situation | 62.4 | 39.4 | 49.4 | 44.8 | 55.6 | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 55.5 | 56.4 | 66.3 | 17.5 |
| Expectations | 77.5 | 91.4 | 94.1 | 100.6 | 106.4 | 100.7 | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 111.4 | 85.7 | 95.3 | 11.2 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 103.2 | 110.6 | 107.1 | 105.2 | 106.5 | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 124.9 | 102.3 | 123.8 | 21.1 |
| Present Situation | 103.3 | 108.5 | 101.0 | 105.5 | 112.9 | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.5 | 105.2 | 146.9 | 39.6 |
| Expectations | 103.1 | 112.1 | 111.1 | 105.0 | 102.3 | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 114.5 | 100.3 | 108.5 | 8.1 |

***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| Seasonally adjusted index numbers: 1985 = 100 | 1987 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct | Nov. | Dec.(r) | 1988 Jan.(p) | 3 mos. Percent, Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 85.4 | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 110.9 | - 6.5 |
| Present Situation | 85.0 | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 122.6 | - 0.7 |
| Expectations | 85.6 | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 103.2 | -10.7 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 91.1 | 94.9 | 107.2 | 102.3 | 107.5 | 112.0 | 114.5 | 111.2 | 120.7 | 122.3 | 110.2 | 121.5 | 116.3 | - 1.7 |
| 35-54 | 93.0 | 99.0 | 97.0 | 102.3 | 105.1 | 107.9 | 108.0 | 115.7 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | - 8.3 |
| 55 and over | 72.0 | 79.0 | 82.5 | 85.8 | 93.8 | 87.1 | 93.8 | 102.7 | 102.5 | 107.2 | 86.7 | 95.6 | 102.1 | - 8.9 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 92.2 | 93.2 | 108.8 | 94.4 | 99.1 | 115.8 | 111.4 | 116.9 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | - 1.7 |
| 35-54 | 96.3 | 105.2 | 98.5 | 100.5 | 100.6 | 115.0 | 108.7 | 121.6 | 128.2 | 123.6 | 114.4 | 118.3 | 121.6 | - 5.1 |
| 55 and over | 70.2 | 78.6 | 81.1 | 84.7 | 97.7 | 97.0 | 101.1 | 108.7 | 106.7 | 120.0 | 111.0 | 113.8 | 120.8 | 3.0 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 90.4 | 95.9 | 106.3 | 107.6 | 113.1 | 109.4 | 116.6 | 107.4 | 117.0 | 116.7 | 101.6 | 115.6 | 109.5 | - 4.2 |
| 35-54 | 90.9 | 95.4 | 96.1 | 103.6 | 108.1 | 103.2 | 107.6 | 111.8 | 114.4 | 107.4 | 96.2 | 97.7 | 104.2 | -10.6 |
| 55 and over | 73.2 | 79.3 | 83.4 | 86.6 | 91.1 | 80.4 | 89.0 | 98.7 | 99.7 | 98.5 | 70.4 | 83.3 | 90.1 | -17.9 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 64.5 | 77.2 | 78.5 | 74.1 | 84.3 | 80.6 | 86.3 | 78.3 | 88.0 | 87.1 | 74.6 | 83.9 | 87.2 | - 3.0 |
| $15,000-24,999 | 78.9 | 87.8 | 87.8 | 90.0 | 99.0 | 98.5 | 92.6 | 100.4 | 106.2 | 113.8 | 97.8 | 103.4 | 105.9 | - 4.2 |
| $25,000 and over | 100.7 | 102.7 | 108.9 | 114.4 | 115.4 | 117.9 | 123.4 | 130.3 | 131.8 | 128.6 | 114.7 | 120.6 | 123.7 | - 8.1 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 51.1 | 67.3 | 58.9 | 57.3 | 66.5 | 76.2 | 79.3 | 74.9 | 77.4 | 82.5 | 74.9 | 77.6 | 77.7 | - 1.9 |
| $15,000-24,999 | 72.4 | 78.6 | 82.8 | 76.2 | 91.2 | 100.5 | 87.7 | 96.0 | 109.7 | 119.0 | 104.2 | 107.7 | 112.4 | - 0.1 |
| $25,000 and over | 112.0 | 113.3 | 120.6 | 121.8 | 122.4 | 132.8 | 132.6 | 143.1 | 145.5 | 146.3 | 140.2 | 145.5 | 148.8 | - 0.1 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 73.0 | 83.0 | 90.5 | 85.1 | 96.4 | 83.6 | 91.2 | 80.7 | 95.5 | 90.5 | 74.4 | 88.6 | 92.9 | - 4.0 |
| $15,000-24,999 | 83.1 | 93.2 | 91.0 | 99.1 | 104.2 | 97.2 | 96.0 | 103.6 | 103.9 | 110.4 | 93.5 | 100.6 | 101.4 | - 7.0 |
| $25,000 and over | 93.7 | 96.3 | 101.8 | 109.6 | 110.7 | 107.7 | 117.1 | 121.8 | 122.4 | 116.5 | 97.6 | 103.6 | 107.5 | -14.4 |

***Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

3/4/88 R4105-4 A

# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**March 1988**

## FURTHER GAINS IN CONSUMER CONFIDENCE

Consumer confidence registered a good gain in February. The Board's Index (1985 = 100) stands at 113.9, up an impressive four points for the month. Almost all of the ground lost following the stock market plunge in October has now been regained. Buying plans are also substantially stronger.

In the most recent probe, people were somewhat more positive than a month earlier in their expectations for the future, and markedly more positive in their view of the prevailing economic situation. Close to 30% of all respondents said that business conditions were "good," up from about 26.5% a month before. People were also more satisfied with the employment situation. Some 31% of respondents reported that jobs were "plentiful," up from 29.5% a month earlier.

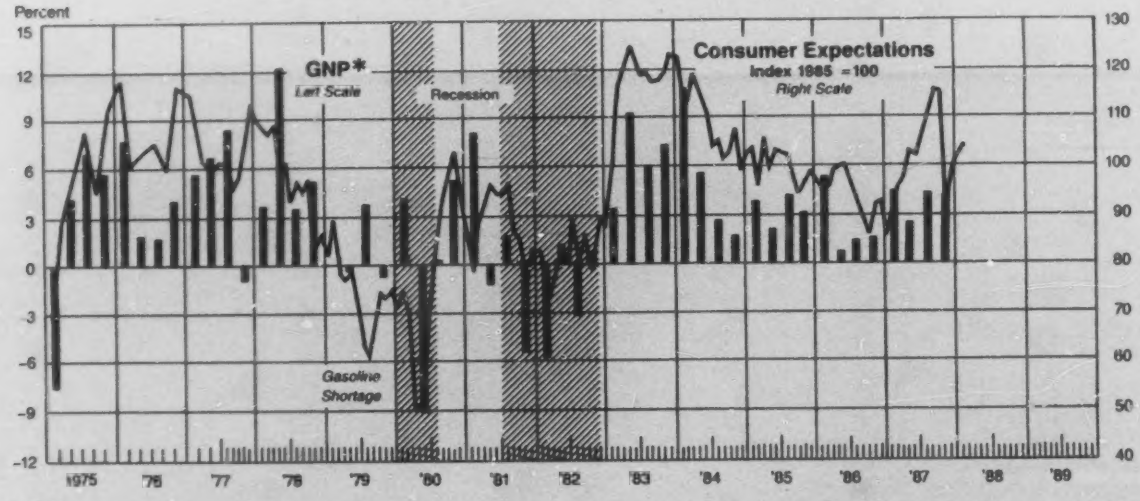
In looking six months ahead, more respondents than in the previous probe now expect business conditions to improve—19.4% compared with 18.7% earlier. However, the present reading is still a good deal lower than the figure recorded last September. Consumers are marginally more optimistic about the job outlook than a month ago, but again less positive than they were in September. Finally, in assessing their own likely fortunes, close to 29% of all respondents expect their incomes to increase, which is close to the figure recorded immediately preceding the market crash.

Buying plans are up for all the major categories included in the survey. Some 9.2% of respondents plan to buy a car over the next six months, the highest figure recorded in quite some time. Interest in major appliances is also substantially stronger. A good gain was also recorded in the number of those that plan to purchase a home. Some 25% of all respondents, as compared with only 16% in January, expect interest rates to decline.

The improvement in the consumer's spirits in recent months reflects the continued strength in the nation's economy. Unemployment continues to decline, and the number of persons in jobs is well above year-ago levels. The recent increase in exports has also contributed to an improvement in depressed sectors in manufacturing. Finally, with lower tax rates, withholdings are lower than last year, and hence paychecks are larger—a situation which apparently heartens the spirits.

Fabian Linden

### Consumer Expectations and Changes in GNP




* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**
Percentage of all households =100%

| | Business | | | | | | | | | Employment | | Income | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | | | | | | | | | | | 1988 | |
| *All series seasonally adjusted* | *Feb.* | *Mar.* | *Apr.* | *May* | *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.(r)* | *Feb.(p)* |
| **Composite Series: Index Numbers, 1985=100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 113.9 |
| **Present Situation** | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 128.7 |
| **Expectations** | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 104.0 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 24.8 | 24.0 | 23.3 | 25.2 | 28.9 | 26.1 | 28.5 | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 | 29.7 |
| Bad | 26.1 | 26.4 | 24.7 | 24.6 | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 20.3 | 18.5 | 18.3 | 18.8 |
| Normal | 49.1 | 49.6 | 52.0 | 50.2 | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.3 | 56.7 | 55.3 | 51.5 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 20.8 | 21.9 | 20.5 | 21.9 | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 26.8 | 27.0 | 29.5 | 31.0 |
| Jobs not so plentiful | 45.1 | 45.6 | 46.7 | 47.9 | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 47.0 | 49.4 | 44.8 | 46.1 |
| Jobs hard to get | 34.1 | 32.5 | 32.8 | 30.2 | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 26.2 | 23.6 | 25.7 | 22.9 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 19.0 | 18.2 | 18.8 | 20.8 | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 18.3 | 19.9 | 18.7 | 19.4 |
| Worse | 10.2 | 9.1 | 7.3 | 7.8 | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.4 | 9.2 | 8.0 | 8.1 |
| Same | 70.8 | 72.7 | 73.9 | 71.4 | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.3 | 70.9 | 73.3 | 72.5 |
| Employment | | | | | | | | | | | | | |
| More jobs | 14.7 | 14.9 | 16.5 | 17.7 | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.5 | 16.8 | 16.2 | 16.7 |
| Fewer jobs | 19.7 | 15.6 | 15.6 | 14.1 | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.1 | 16.6 | 15.6 | 14.6 |
| Same | 65.6 | 69.5 | 67.9 | 68.2 | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 | 68.7 |
| Income | | | | | | | | | | | | | |
| Increase | 24.6 | 24.5 | 23.3 | 24.1 | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 28.0 | 28.3 | 26.2 | 28.9 |
| Decrease | 8.3 | 8.1 | 8.3 | 6.6 | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.1 | 8.4 | 6.3 | 7.0 |
| Same | 67.1 | 67.4 | 68.4 | 69.3 | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 62.9 | 63.3 | 67.5 | 64.1 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.8 | 7.5 | 7.2 | 9.0 | 7.0 | 7.7 | 7.1 | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 | 9.2 |
| New | 4.0 | 4.0 | 4.3 | 4.2 | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 4.3 | 4.5 | 3.7 | 4.5 |
| Used | 2.9 | 2.8 | 2.2 | 3.6 | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.8 | 3.0 | 3.0 | 3.3 |
| Uncertain | 0.9 | 0.7 | 0.7 | 1.2 | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 | 1.4 |
| Home | | | | | | | | | | | | | |
| Yes | 3.1 | 4.1 | 3.2 | 4.1 | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.7 | 3.5 | 3.8 | 4.9 |
| New | 1.1 | 1.4 | 0.7 | 1.3 | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 1.3 | 1.6 |
| Lived in | 1.3 | 2.0 | 1.7 | 1.8 | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 | 2.1 |
| Uncertain | 0.7 | 0.7 | 0.8 | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.7 | 1.0 | 0.8 | 1.2 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 29.1 | 29.1 | 27.4 | 36.3 | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 31.1 | 28.2 | 29.4 | 34.8 |
| Refrigerator | 5.2 | 4.6 | 4.0 | 5.6 | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.3 | 4.1 | 5.0 | 5.4 |
| Washing machine | 3.8 | 4.3 | 3.6 | 4.8 | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 4.4 | 3.3 | 4.1 | 5.4 |
| TV Set | 7.7 | 7.1 | 6.5 | 9.2 | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 | 7.3 |
| Vacuum Cleaner | 4.8 | 5.5 | 5.2 | 6.4 | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.6 | 5.5 | 4.6 | 5.9 |
| Range | 2.8 | 2.5 | 3.3 | 3.9 | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.2 | 2.8 | 3.1 | 3.3 |
| Clothes dryer | 3.3 | 3.7 | 3.0 | 4.1 | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.7 | 3.1 | 3.7 | 4.0 |
| Air conditioner | 1.5 | 1.4 | 1.8 | 2.3 | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 | 3.0 |
| Carpet | 7.0 | 8.2 | 6.0 | 10.0 | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 | 7.7 | 8.3 | 8.2 |
| **Vacation Intended Within Six Months: Percent** | | | | | | | | | | | | | |
| Vacation Intended | 50.9 | | 49.4 | | 49.7 | | 52.0 | | 54.3 | | 46.9 | | 51.5 |
| Destination | | | | | | | | | | | | | |
| U.S. | 46.8 | | 44.5 | | 45.4 | | 47.0 | | 48.3 | | 43.1 | | 45.5 |
| Foreign country | 5.9 | | 6.8 | | 6.6 | | 6.8 | | 7.8 | | 8.1 | | 8.9 |
| Means of travel | | | | | | | | | | | | | |
| Automobile | 33.2 | | 29.8 | | 30.7 | | 30.6 | | 32.7 | | 27.6 | | 30.1 |
| Airplane | 18.4 | | 19.5 | | 20.9 | | 21.3 | | 20.7 | | 18.6 | | 19.3 |
| Other | 4.3 | | 4.5 | | 3.7 | | 4.2 | | 4.4 | | 3.6 | | 5.1 |

(p)—preliminary (r)—revised

**Inflation** **Interest Rates** **Stock Prices**

| Not seasonally adjusted | 1987 Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan.(r) | Feb.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expectations for Twelve Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | | | | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | | | | | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.4 |
| Same | | | | | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 22.8 | 24.1 | 24.9 | 26.0 |
| Lower | | | | | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.6 |
| Stock Prices | | | | | | | | | | | | | |
| increase | | | | | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.8 |
| Same | | | | | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.2 |
| Decrease | | | | | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 30.0 |

## CONSUMER CONFIDENCE BY REGION

| Seasonally unadjusted Index numbers:1985 = 100 | 1987 Feb. | Mar | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan.(r) | Feb.(p) | Avg. 1987 | Avg. 1988 | Dec., Jan. Percent Change* | Feb. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 154.9 | 152.8 | 137.3 | 150.5 | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 148.2 | 153.6 | 153.6 | 151.0 | 151.8 | 0.6 | |
| Present Situation | 199.9 | 191.2 | 180.4 | 192.6 | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 200.7 | 196.1 | 201.5 | 2.8 | |
| Expectations | 125.0 | 127.2 | 108.5 | 122.5 | 125.4 | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.6 | 123.2 | 122.3 | 120.9 | 118.7 | - 1.8 | |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 92.9 | 95.9 | 102.3 | 98.8 | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 113.3 | 93.3 | 112.2 | 20.3 | |
| Present Situation | 92.3 | 95.9 | 104.5 | 109.4 | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 137.5 | 98.0 | 139.1 | 41.8 | |
| Expectations | 93.4 | 95.9 | 100.8 | 91.7 | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 89.8 | 95.9 | 97.2 | 90.1 | 94.3 | 4.6 | |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 77.7 | 85.9 | 79.4 | 86.4 | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.6 | 72.9 | 94.2 | 29.2 | |
| Present Situation | 72.4 | 77.7 | 73.1 | 79.8 | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 101.2 | 70.0 | 100.3 | 43.3 | |
| Expectations | 81.2 | 91.4 | 83.6 | 90.8 | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.3 | 74.9 | 90.1 | 20.3 | |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 61.9 | 62.4 | 65.4 | 77.6 | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 97.6 | 59.4 | 86.2 | 45.2 | |
| Present Situation | 51.1 | 38.9 | 40.0 | 54.0 | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.0 | 45.1 | 78.9 | 74.9 | |
| Expectations | 69.0 | 78.1 | 82.4 | 93.3 | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 106.8 | 69.0 | 91.2 | 32.2 | |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 124.9 | 130.6 | 133.1 | 135.5 | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 135.6 | 125.0 | 133.6 | 6.9 | |
| Present Situation | 140.8 | 154.9 | 157.4 | 154.3 | 147.4 | 156.9 | 162.1 | 158.8 | 176.1 | 168.6 | 164.8 | 161.7 | 161.6 | 142.2 | 162.7 | 14.4 | |
| Expectations | 114.3 | 114.4 | 117.0 | 122.9 | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 118.3 | 113.6 | 114.2 | 0.6 | |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 85.7 | 95.3 | 87.8 | 86.9 | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 116.8 | 78.5 | 105.4 | 34.2 | |
| Present Situation | 63.8 | 72.8 | 61.8 | 71.8 | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 108.3 | 64.9 | 94.7 | 45.9 | |
| Expectations | 100.2 | 110.3 | 105.1 | 96.9 | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.4 | 87.6 | 112.6 | 28.5 | |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 63.0 | 59.3 | 63.1 | 65.7 | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 80.8 | 58.8 | 74.8 | 27.2 | |
| Present Situation | 10.8 | 16.7 | 9.8 | 13.4 | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 28.5 | 27.7 | 26.5 | 31.4 | 15.1 | 28.5 | 88.9 | |
| Expectations | 97.8 | 87.7 | 98.7 | 100.6 | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 113.7 | 87.9 | 105.6 | 20.2 | |
| MOUNTAIN | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 70.6 | 76.2 | 78.3 | 86.1 | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 76.4 | 85.7 | 84.5 | 81.4 | 71.2 | 83.8 | 17.8 | |
| Present Situation | 39.4 | 49.4 | 44.8 | 55.6 | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.1 | 50.7 | 65.5 | 29.4 | |
| Expectations | 91.4 | 94.1 | 100.6 | 106.4 | 100.7 | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 91.5 | 84.9 | 96.0 | 13.1 | |
| PACIFIC | | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 110.6 | 107.1 | 105.2 | 106.5 | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 133.8 | 103.6 | 126.7 | 22.4 | |
| Present Situation | 108.5 | 101.0 | 105.5 | 112.9 | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 155.4 | 105.1 | 147.9 | 40.7 | |
| Expectations | 112.1 | 111.1 | 105.0 | 102.3 | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 119.4 | 102.5 | 112.6 | 9.9 | |

***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| *Seasonally adjusted index numbers: 1985 = 100* | *1987* | | | | | | | | | | | *1988* | | *3 mos. Percent, Change** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Feb.* | *Mar.* | *Apr.* | *May* | *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.(r)* | *Feb.(p)* | |
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 91.8 | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 113.9 | - 0.0 |
| Present Situation | 91.9 | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 128.7 | 2.6 |
| Expectations | 91.8 | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 104.0 | - 2.1 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 94.9 | 107.2 | 102.3 | 107.5 | 112.0 | 114.5 | 111.2 | 120.7 | 122.3 | 110.2 | 121.5 | 116.5 | 124.4 | 2.6 |
| 35-54 | 99.0 | 97.0 | 102.3 | 105.1 | 107.9 | 108.0 | 115.7 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | 111.4 | - 2.7 |
| 55 and over | 79.0 | 82.5 | 85.8 | 93.8 | 87.1 | 93.8 | 102.7 | 102.5 | 107.2 | 86.7 | 95.6 | 99.1 | 104.8 | 1.1 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 93.2 | 108.8 | 94.4 | 99.1 | 115.8 | 111.4 | 116.9 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | 139.5 | 4.4 |
| 35-54 | 105.2 | 98.5 | 100.5 | 100.6 | 115.0 | 108.7 | 121.6 | 128.2 | 123.6 | 114.4 | 118.3 | 122.5 | 126.1 | 0.2 |
| 55 and over | 78.6 | 81.1 | 84.7 | 97.7 | 97.0 | 101.1 | 108.7 | 106.7 | 120.0 | 111.0 | 113.8 | 116.1 | 123.0 | 4.5 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 95.9 | 106.3 | 107.6 | 113.1 | 109.4 | 116.6 | 107.4 | 117.0 | 116.7 | 101.6 | 115.6 | 109.7 | 114.2 | 1.2 |
| 35-54 | 95.4 | 96.1 | 103.6 | 108.1 | 103.2 | 107.6 | 111.8 | 114.4 | 107.4 | 96.2 | 97.7 | 103.6 | 101.5 | - 4.8 |
| 55 and over | 79.3 | 83.4 | 86.6 | 91.1 | 80.4 | 89.0 | 98.7 | 99.7 | 98.5 | 70.4 | 83.3 | 88.1 | 92.9 | - 1.6 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 77.2 | 78.5 | 74.1 | 84.3 | 80.6 | 86.3 | 78.3 | 88.0 | 87.1 | 74.6 | 83.9 | 85.1 | 98.3 | 3.1 |
| $15,000-24,999 | 87.6 | 87.8 | 90.0 | 99.0 | 98.5 | 92.6 | 100.4 | 106.2 | 113.8 | 97.8 | 103.4 | 106.0 | 117.4 | 2.8 |
| $25,000 and over | 102.7 | 108.9 | 114.4 | 115.4 | 117.9 | 123.4 | 130.3 | 131.8 | 128.6 | 114.7 | 120.6 | 122.7 | 125.2 | - 1.8 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 67.3 | 58.9 | 57.3 | 66.5 | 76.2 | 79.3 | 74.9 | 77.4 | 82.5 | 74.9 | 77.6 | 74.7 | 81.4 | - 0.5 |
| $15,000-24,999 | 78.6 | 82.8 | 76.2 | 91.2 | 100.5 | 87.7 | 96.0 | 109.7 | 119.0 | 104.2 | 107.7 | 111.6 | 127.3 | 4.1 |
| $25,000 and over | 113.3 | 120.6 | 121.8 | 122.4 | 132.8 | 132.6 | 143.1 | 145.5 | 146.3 | 140.2 | 145.5 | 148.5 | 154.3 | 3.7 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 83.0 | 90.5 | 85.1 | 96.4 | 83.6 | 91.2 | 80.7 | 95.5 | 90.5 | 74.4 | 88.6 | 91.3 | 91.7 | 4.3 |
| $15,000-24,999 | 93.2 | 91.0 | 99.1 | 104.2 | 97.2 | 96.0 | 103.6 | 103.9 | 110.4 | 93.5 | 100.6 | 102.1 | 110.4 | 1.7 |
| $25,000 and over | 96.3 | 101.8 | 109.6 | 110.7 | 107.7 | 117.1 | 121.8 | 122.4 | 116.5 | 97.6 | 103.6 | 106.1 | 106.6 | - 6.0 |

***Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

***Consumer Research Center***
The Conference Board, 845 Third Ave., New York, N.Y. 10022

4/11/88 R4105-4 A

# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**April 1988**

## CONFIDENCE: DOWN SLIGHTLY BUT STILL STRONG

After chalking up an impressive recovery in three consecutive months following the October market crash, the measure of consumer confidence edged off in March. The current Index reading (1985 = 100) is 112.8, a decline of two points for the month. Most of the loss reflects the consumer's less favorable assessment of the employment situation. Buying plans, too, are down moderately.

On the issue of ongoing business conditions, people were about as optimistic as in February. But there is a bit more concern about employment. While 29% report jobs are "plentiful," 24% complain that they are "hard to get." Both figures are less positive than in the preceding month.

The consumer's outlook for the next six months has not changed very much. After a good gain a month earlier, the expectations index inched down. Fewer people now believe that more jobs will become available. In assessing their income prospects, consumers are also slightly less optimistic: 28.2% now believe that their earnings will increase, down from 30.6%. However, the current figure is still at a comfortable level.

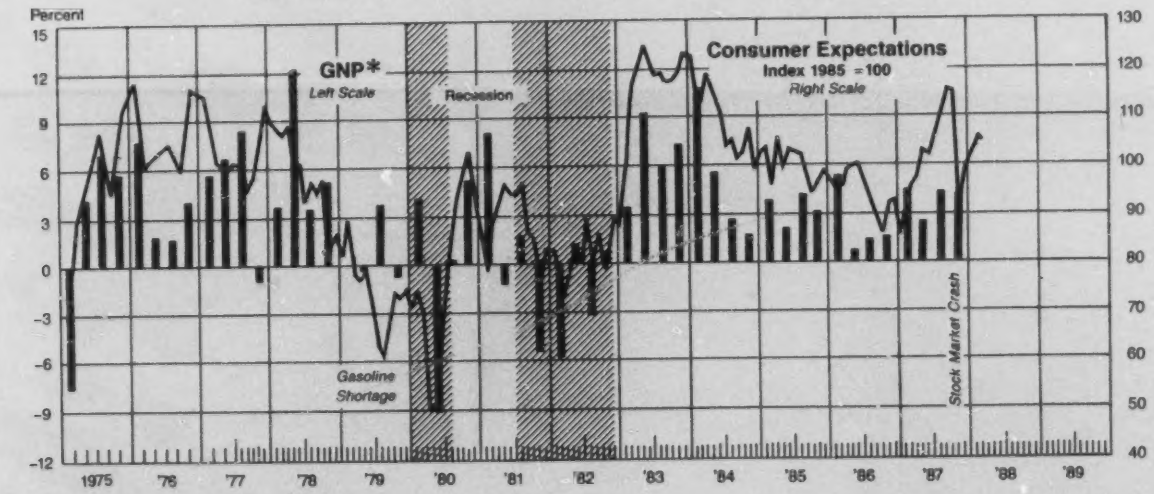
Plans to buy a car edged back to 9.2% of all survey respondents, from 9.6%, a fractional loss compared with February's full 2-point rise in intentions. Plans to purchase a home have also slipped to 4.6%, from an impressive prior 5.0 percent. Similarly, major appliance plans were down in March but remain a good deal higher than in January.

The most positive survey finding is an apparent revival of public confidence in the stock market. While a single month's reading is still too fragile to be conclusive, March results were strikingly stronger than in recent months. Some 47% of respondents now expect stock prices to increase, 18% believe they will decline. In February, only 37% were bullish, 30% were bearish. The latest figures are the most positive recorded since July. Opinion had grown increasingly cautious between August and early October.

Overall, the small decline in the Confidence Index in March, following the substantial gain in February, is indecisive. A loss of two points in these circumstances is still within the range of statistical static. Just about all of the loss in optimism results from the consumer's becoming somewhat less secure with the employment situation. However, the recent news about jobs from Washington has been good. It is too early to tell whether the latest survey findings are still a bit clouded, or if the consumer knows something the Labor Department has yet to learn.

Fabian Linden

### Consumer Expectations and Changes in GNP




*Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**
Percentage of all households = 100%

**Business** **Employment** **Income**

| *All series seasonally adjusted.* | 1987 *Mar.* | *Apr.* | *May* | *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | 1988 *Jan.* | *Feb.(r)* | *Mar(p)* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Composite Series: Index Numbers, 1985 = 100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.8 |
| **Present Situation** | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.8 |
| **Expectations** | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.8 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 24.0 | 23.3 | 25.2 | 26.9 | 26.1 | 28.5 | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 | 29.6 | 29.2 |
| Bad | 26.4 | 24.7 | 24.6 | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 20.3 | 18.5 | 18.3 | 18.9 | 18.7 |
| Normal | 49.6 | 52.0 | 50.2 | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.3 | 56.7 | 55.3 | 51.5 | 52.1 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 21.9 | 20.5 | 21.9 | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 26.8 | 27.0 | 29.5 | 31.4 | 29.0 |
| Jobs not so plentiful | 45.6 | 46.7 | 47.9 | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 47.0 | 49.4 | 44.8 | 45.9 | 47.1 |
| Jobs hard to get | 32.5 | 32.8 | 30.2 | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 26.2 | 23.6 | 25.7 | 22.9 | 23.9 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 18.2 | 18.8 | 20.9 | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 18.3 | 19.9 | 18.7 | 19.7 | 19.9 |
| Worse | 9.1 | 7.3 | 7.8 | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.4 | 9.2 | 8.0 | 7.9 | 7.6 |
| Same | 72.7 | 73.9 | 71.4 | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.3 | 70.9 | 73.3 | 72.4 | 72.5 |
| Employment | | | | | | | | | | | | | |
| More jobs | 14.9 | 16.5 | 17.7 | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.5 | 16.8 | 16.2 | 16.7 | 15.7 |
| Fewer jobs | 15.6 | 15.6 | 14.1 | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.1 | 16.6 | 15.6 | 14.4 | 14.0 |
| Same | 69.5 | 67.9 | 68.2 | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 | 68.9 | 70.3 |
| Income | | | | | | | | | | | | | |
| Increase | 24.5 | 23.3 | 24.1 | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 28.0 | 28.3 | 26.2 | 30.6 | 28.2 |
| Decrease | 8.1 | 8.3 | 6.6 | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.1 | 8.4 | 6.3 | 6.5 | 6.5 |
| Same | 67.4 | 68.4 | 69.3 | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 62.9 | 63.3 | 67.5 | 62.9 | 65.3 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.5 | 7.2 | 9.0 | 7.0 | 7.7 | 7.1 | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 | 9.6 | 9.2 |
| New | 4.0 | 4.3 | 4.2 | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 4.3 | 4.5 | 3.7 | 4.7 | 5.2 |
| Used | 2.8 | 2.2 | 3.6 | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.8 | 3.0 | 3.0 | 3.5 | 3.3 |
| Uncertain | 0.7 | 0.7 | 1.2 | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 | 1.4 | 0.7 |
| Home | | | | | | | | | | | | | |
| Yes | 4.1 | 3.2 | 4.1 | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.7 | 3.5 | 3.8 | 5.0 | 4.6 |
| New | 1.4 | 0.7 | 1.3 | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 1.3 | 1.6 | 1.8 |
| Lived in | 2.0 | 1.7 | 1.8 | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 | 2.1 | 2.0 |
| Uncertain | 0.7 | 0.8 | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.7 | 1.0 | 0.8 | 1.3 | 0.8 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 29.1 | 27.4 | 36.3 | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 31.1 | 28.2 | 29.4 | 36.0 | 33.5 |
| Refrigerator | 4.6 | 4.0 | 5.6 | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.3 | 4.1 | 5.0 | 5.8 | 5.1 |
| Washing machine | 4.3 | 3.6 | 4.8 | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 4.4 | 3.3 | 4.1 | 5.4 | 4.3 |
| TV Set | 7.1 | 6.5 | 9.2 | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 | 8.2 | 8.5 |
| Vacuum Cleaner | 5.5 | 5.2 | 6.4 | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.6 | 5.5 | 4.6 | 5.9 | 5.8 |
| Range | 2.5 | 3.3 | 3.9 | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.2 | 2.8 | 3.1 | 3.5 | 3.2 |
| Clothes dryer | 3.7 | 3.0 | 4.1 | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.7 | 3.1 | 3.7 | 4.2 | 4.2 |
| Air conditioner | 1.4 | 1.8 | 2.3 | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 | 3.0 | 2.4 |
| Carpet | 8.2 | 6.0 | 10.0 | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 | 7.7 | 8.3 | 8.3 | 9.4 |
| **Vacation Intended Within Six Months: Percent*** | | | | | | | | | | | | | |
| Vacation Intended | | 47.9 | | 48.5 | | 51.9 | | 54.3 | | 50.9 | | 51.2 | |
| Destination † | | | | | | | | | | | | | |
| U.S. | | 43.2 | | 44.2 | | 46.7 | | 48.6 | | 44.5 | | 44.3 | |
| Foreign country | | 6.5 | | 6.6 | | 7.0 | | 7.8 | | 8.2 | | 8.9 | |
| Means of travel | | | | | | | | | | | | | |
| Automobile | | 28.8 | | 29.8 | | 30.6 | | 32.9 | | 30.9 | | 29.8 | |
| Airplane | | 19.3 | | 20.7 | | 21.2 | | 20.4 | | 18.9 | | 19.9 | |
| Other | | 4.3 | | 3.7 | | 4.3 | | 4.6 | | 3.8 | | 5.0 | |

(p)—preliminary (r)—revised

* All vacation plans data have been revised based on updated seasonal factors. Historical data are available on request.

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

| Not seasonally adjusted | 1987 Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb.(r) | Mar.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expectations for Twelve Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | | | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 | 4.3 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | | | | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.9 | 58.5 |
| Same | | | | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 22.8 | 24.1 | 24.9 | 25.7 | 27.9 |
| Lower | | | | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.4 | 13.6 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | | | | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.6 | 47.0 |
| Same | | | | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.6 | 35.0 |
| Decrease | | | | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 29.8 | 17.9 |

## CONSUMER CONFIDENCE BY REGION

| Seasonally unadjusted Index numbers:1985 = 100 | 1987 Mar | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb.(r) | Mar.(p) | Avg. 1987 | Avg. 1988 | Jan. Feb. Mar. Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 152.8 | 137.3 | 150.5 | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 148.2 | 153.6 | 155.0 | 150.7 | 154.4 | 153.1 | – 0.8 |
| Present Situation | 191.2 | 180.4 | 192.6 | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 202.4 | 198.7 | 194.5 | 200.1 | 2.8 |
| Expectations | 127.2 | 108.5 | 122.5 | 125.4 | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.6 | 123.2 | 123.4 | 118.7 | 127.6 | 121.8 | – 4.5 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 95.9 | 102.3 | 98.8 | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 114.8 | 123.0 | 91.9 | 117.4 | 27.8 |
| Present Situation | 95.9 | 104.5 | 109.4 | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 136.2 | 145.6 | 94.1 | 141.4 | 50.2 |
| Expectations | 95.9 | 100.8 | 91.7 | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 89.8 | 95.9 | 100.5 | 107.9 | 90.4 | 101.4 | 12.2 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 85.9 | 79.4 | 86.4 | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.0 | 95.0 | 77.4 | 96.3 | 24.5 |
| Present Situation | 77.7 | 73.1 | 79.8 | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 99.2 | 90.8 | 70.3 | 97.8 | 39.0 |
| Expectations | 91.4 | 83.6 | 90.8 | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.6 | 97.8 | 82.1 | 95.4 | 16.2 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 62.4 | 65.4 | 77.6 | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 98.2 | 88.0 | 60.3 | 91.9 | 52.6 |
| Present Situation | 38.9 | 40.0 | 54.0 | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.8 | 70.4 | 43.6 | 77.7 | 78.0 |
| Expectations | 78.1 | 82.4 | 93.3 | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 107.2 | 99.8 | 71.3 | 101.5 | 42.2 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 130.6 | 133.1 | 135.5 | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 137.7 | 136.8 | 126.9 | 136.1 | 7.3 |
| Present Situation | 154.9 | 157.4 | 154.3 | 147.4 | 156.9 | 162.1 | 168.8 | 176.1 | 168.6 | 164.8 | 161.7 | 163.2 | 166.0 | 145.1 | 163.6 | 12.8 |
| Expectations | 114.4 | 117.0 | 122.9 | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 120.7 | 117.4 | 114.8 | 117.8 | 2.7 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 95.3 | 87.8 | 86.9 | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 114.9 | 108.0 | 85.3 | 107.2 | 25.6 |
| Present Situation | 72.8 | 61.8 | 71.8 | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 103.5 | 91.4 | 66.2 | 92.3 | 39.4 |
| Expectations | 110.3 | 105.1 | 96.9 | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.5 | 119.0 | 98.1 | 117.1 | 19.4 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 59.3 | 63.1 | 65.7 | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 81.7 | 69.0 | 59.8 | 75.2 | 25.8 |
| Present Situation | 16.7 | 9.8 | 13.4 | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 28.5 | 27.7 | 26.5 | 33.0 | 18.9 | 13.2 | 26.1 | 98.5 |
| Expectations | 87.7 | 98.7 | 100.6 | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 114.3 | 102.5 | 90.9 | 108.0 | 18.8 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 76.2 | 78.3 | 86.1 | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 76.4 | 85.7 | 84.5 | 82.4 | 96.4 | 72.8 | 87.8 | 20.6 |
| Present Situation | 49.4 | 44.8 | 55.6 | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.6 | 76.5 | 50.4 | 65.8 | 30.7 |
| Expectations | 94.1 | 100.6 | 106.4 | 100.7 | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 93.0 | 109.7 | 87.7 | 102.4 | 16.8 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 107.1 | 105.2 | 106.5 | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 135.2 | 124.6 | 107.0 | 128.3 | 20.6 |
| Present Situation | 101.0 | 105.5 | 112.9 | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 157.3 | 150.9 | 104.2 | 149.4 | 43.3 |
| Expectations | 111.1 | 105.0 | 102.3 | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 120.4 | 107.0 | 108.8 | 114.3 | 5.1 |

***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| Seasonally adjusted – index numbers: 1985 = 100 | 1987 Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb.(r) | Mar.(p) | 3 mos. Percent, Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 95.8 | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.8 | 4.3 |
| Present Situation | 94.2 | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.8 | 4.3 |
| Expectations | 96.8 | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.8 | 4.4 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 107.2 | 102.3 | 107.5 | 112.0 | 114.5 | 111.2 | 120.7 | 122.3 | 110.2 | 121.5 | 116.5 | 124.4 | 118.6 | 1.6 |
| 35-54 | 97.0 | 102.3 | 105.1 | 107.9 | 108.0 | 115.7 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | 113.6 | 116.9 | 5.7 |
| 55 and over | 82.5 | 85.8 | 93.8 | 87.1 | 93.8 | 102.7 | 102.5 | 107.2 | 86.7 | 95.6 | 99.1 | 104.6 | 99.4 | 4.7 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 106.8 | 94.4 | 99.1 | 115.8 | 111.4 | 116.9 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | 137.8 | 127.3 | 1.9 |
| 35-54 | 98.5 | 100.5 | 100.6 | 115.0 | 108.7 | 121.6 | 128.2 | 123.6 | 114.4 | 118.3 | 122.5 | 128.4 | 131.9 | 7.4 |
| 55 and over | 81.1 | 84.7 | 97.7 | 97.0 | 101.1 | 108.7 | 106.7 | 120.0 | 111.0 | 113.8 | 116.1 | 122.7 | 115.2 | 2.7 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 106.3 | 107.6 | 113.1 | 109.4 | 116.6 | 107.4 | 117.0 | 116.7 | 101.6 | 115.6 | 109.7 | 115.4 | 112.7 | 1.2 |
| 35-54 | 96.1 | 103.6 | 108.1 | 103.2 | 107.6 | 111.8 | 114.4 | 107.4 | 96.2 | 97.7 | 103.6 | 103.9 | 107.1 | 4.4 |
| 55 and over | 83.4 | 86.6 | 91.1 | 80.4 | 89.0 | 98.7 | 99.7 | 98.5 | 70.4 | 83.3 | 88.1 | 93.0 | 89.1 | 7.1 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 78.5 | 74.1 | 84.3 | 80.6 | 86.3 | 78.3 | 88.0 | 87.1 | 74.6 | 83.9 | 85.1 | 89.0 | 85.7 | 5.7 |
| $15,000-24,999 | 87.8 | 90.0 | 99.0 | 98.5 | 92.6 | 100.4 | 106.2 | 113.8 | 97.8 | 103.4 | 106.0 | 116.7 | 107.1 | 4.7 |
| $25,000 and over | 108.9 | 114.4 | 115.4 | 117.9 | 123.4 | 130.3 | 131.8 | 128.6 | 114.7 | 120.6 | 122.7 | 126.8 | 127.0 | 3.5 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 58.9 | 57.3 | 66.5 | 76.2 | 79.3 | 74.9 | 77.4 | 82.5 | 74.9 | 77.6 | 74.7 | 80.1 | 76.9 | – 1.4 |
| $15,000-24,999 | 82.8 | 76.2 | 91.2 | 100.5 | 87.7 | 96.0 | 109.7 | 119.0 | 104.2 | 107.7 | 111.6 | 124.2 | 109.7 | 4.4 |
| $25,000 and over | 120.6 | 121.8 | 122.4 | 132.8 | 132.6 | 143.1 | 145.5 | 146.3 | 140.2 | 145.5 | 148.5 | 156.2 | 152.4 | 5.8 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 90.5 | 85.1 | 96.4 | 83.6 | 91.2 | 80.7 | 95.5 | 90.5 | 74.4 | 88.6 | 91.3 | 93.7 | 90.6 | 8.7 |
| $15,000-24,999 | 91.0 | 99.1 | 104.2 | 97.2 | 96.0 | 103.6 | 103.9 | 110.4 | 93.5 | 100.6 | 102.1 | 111.3 | 105.0 | 4.6 |
| $25,000 and over | 101.8 | 109.6 | 110.7 | 107.7 | 117.1 | 121.8 | 122.4 | 116.5 | 97.6 | 103.6 | 106.1 | 108.2 | 110.6 | 2.2 |

*Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.

## Consumer Assessment of Job Availability and Unemployment

* Percent of respondents reporting "job hard to get", Conference Board Consumer Confidence Survey


***Consumer Research Center***
The Conference Board, 845 Third Ave., New York, N.Y. 10022

5/10/88 R4105-4 A

# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**May 1988**

## CONSUMERS MORE OPTIMISTIC

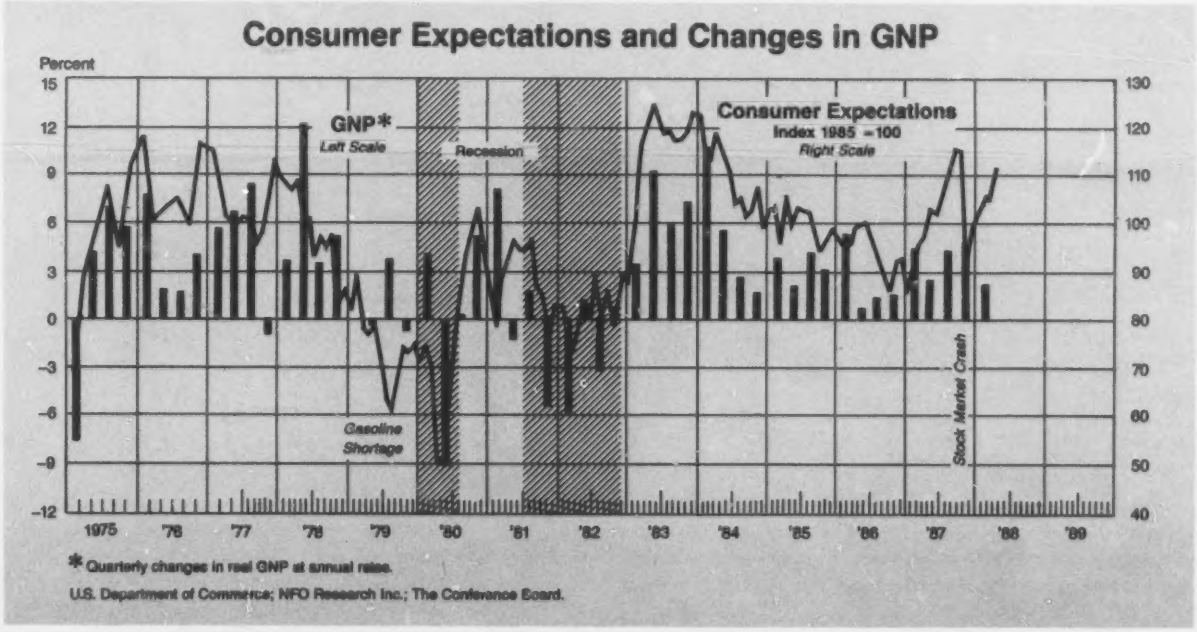
Confidence, which was down moderately in March, regained almost all of the loss in April. The Board's Index (1985=100) now stands at 114.6, up two points for the month. All of the gain reflects a sturdy rise in consumer expectations for the months ahead. Buying plans are mixed to strong.

In assessing current business conditions, however, consumers are quite a bit less positive than in the preceding survey. This component of the Index had registered good gains in the early months of the year, but was down substantially in both March and April. In the most recent probe, slightly fewer people felt that business conditions were "good," slightly more said they were "bad." On the question of employment opportunities, opinion was also slightly less positive than previously.

However, in looking ahead to the next six months, people are markedly more optimistic than they have been since the October financial crisis. In fact, the latest reading is almost the same as that recorded prior to the Crash. Fewer people than last time now fear that business conditions will worsen over the next six months, more people believe that employment opportunities will improve. In assessing their own likely fortunes, people are slightly more optimistic than a month ago.

Plans to buy an automobile edged back to 9.0% from 9.4% a month earlier. However, the current reading is still very strong. Last year at this time, only 7.2% of respondents planned to purchase an automobile. Intentions to purchase a home are down, but this series is highly responsive to interest rates and hence quite volatile. Finally, plans to buy a major appliance were indicated by a sturdy 34.5% of respondents, up fractionally from the month before.

Despite small month-to-month fluctuations, the measure of consumer confidence has not changed very much over the past three months. The general level maintained over that period has been only fractionally below last September's pre-Crash reading, when confidence was at a 15-year high. Declining unemployment and the still-restrained rate of inflation have apparently given consumers a continuing sense of security and well being. Certainly, there is little in recent survey returns that lends credibility to recent suggestions that consumers will significantly reduce their pace of spending in the near future.



## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**
Percentage of all households =100%

**Business** | **Employment** | **Income**

| All series seasonally adjusted | 1987 Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar.(r) | Apr.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Composite Series: Index Numbers, 1985=100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 114.6 |
| **Present Situation** | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 118.9 |
| **Expectations** | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 111.8 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 23.3 | 25.2 | 28.9 | 26.1 | 28.5 | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 | 29.6 | 29.1 | 28.3 |
| Bad | 24.7 | 24.6 | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 20.3 | 18.5 | 18.3 | 18.9 | 18.8 | 21.0 |
| Normal | 52.0 | 50.2 | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.3 | 56.7 | 55.3 | 51.5 | 52.1 | 50.7 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 20.5 | 21.9 | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 26.8 | 27.0 | 29.5 | 31.4 | 28.9 | 27.4 |
| Jobs not so plentiful | 46.7 | 47.9 | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 47.0 | 49.4 | 44.8 | 45.9 | 47.0 | 47.9 |
| Jobs hard to get | 32.8 | 30.2 | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 26.2 | 23.6 | 25.7 | 22.9 | 24.1 | 24.7 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 18.8 | 20.8 | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 18.3 | 19.9 | 18.7 | 19.7 | 20.2 | 20.6 |
| Worse | 7.3 | 7.8 | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.4 | 9.2 | 8.0 | 7.9 | 7.6 | 6.4 |
| Same | 73.9 | 71.4 | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.3 | 70.9 | 73.3 | 72.4 | 72.2 | 73.0 |
| Employment | | | | | | | | | | | | | |
| More jobs | 16.5 | 17.7 | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.5 | 16.8 | 16.2 | 16.7 | 15.8 | 17.8 |
| Fewer jobs | 15.6 | 14.1 | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.1 | 16.6 | 15.6 | 14.4 | 14.0 | 12.0 |
| Same | 67.9 | 68.2 | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 | 68.9 | 70.2 | 70.2 |
| Income | | | | | | | | | | | | | |
| Increase | 23.3 | 24.1 | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 28.0 | 28.3 | 26.2 | 30.6 | 28.5 | 28.6 |
| Decrease | 8.3 | 6.6 | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.1 | 8.4 | 6.3 | 6.5 | 6.7 | 6.2 |
| Same | 68.4 | 69.3 | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 62.9 | 63.3 | 67.5 | 62.9 | 64.8 | 65.2 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.2 | 9.0 | 7.0 | 7.7 | 7.1 | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 | 9.6 | 9.4 | 9.0 |
| New | 4.3 | 4.2 | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 4.3 | 4.5 | 3.7 | 4.7 | 5.3 | 5.4 |
| Used | 2.2 | 3.6 | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.8 | 3.0 | 3.0 | 3.5 | 3.3 | 3.0 |
| Uncertain | 0.7 | 1.2 | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 | 1.4 | 0.8 | 0.6 |
| Home | | | | | | | | | | | | | |
| Yes | 3.2 | 4.1 | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.7 | 3.5 | 3.8 | 5.0 | 4.7 | 3.5 |
| New | 0.7 | 1.3 | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 1.3 | 1.6 | 1.7 | 1.1 |
| Lived in | 1.7 | 1.8 | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 | 2.1 | 2.1 | 1.6 |
| Uncertain | 0.8 | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.7 | 1.0 | 0.8 | 1.3 | 0.9 | 0.8 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 27.4 | 36.3 | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 31.1 | 28.2 | 29.4 | 36.0 | 34.0 | 34.5 |
| Refrigerator | 4.0 | 5.6 | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.3 | 4.1 | 5.0 | 5.8 | 5.4 | 5.1 |
| Washing machine | 3.6 | 4.8 | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 4.4 | 3.3 | 4.1 | 5.4 | 4.4 | 5.2 |
| TV Set | 6.5 | 9.2 | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 | 8.2 | 8.5 | 7.8 |
| Vacuum Cleaner | 5.2 | 6.4 | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.6 | 5.5 | 4.6 | 5.9 | 5.9 | 5.6 |
| Range | 3.3 | 3.9 | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.2 | 2.8 | 3.1 | 3.5 | 3.2 | 3.9 |
| Clothes dryer | 3.0 | 4.1 | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.7 | 3.1 | 3.7 | 4.2 | 4.2 | 4.4 |
| Air conditioner | 1.8 | 2.3 | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 | 3.0 | 2.4 | 2.5 |
| Carpet | 6.0 | 10.0 | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 | 7.7 | 8.3 | 8.3 | 9.5 | 5.9 |
| **Vacation Intended Within Six Months: Percent*** | | | | | | | | | | | | | |
| Vacation Intended | 47.9 | | 48.5 | | 51.9 | | 54.3 | | 50.9 | | 51.2 | | 49.7 |
| Destination † | | | | | | | | | | | | | |
| U.S. | 43.2 | | 44.2 | | 46.7 | | 48.6 | | 44.5 | | 44.3 | | 42.8 |
| Foreign country | 6.5 | | 6.6 | | 7.0 | | 7.8 | | 8.2 | | 8.9 | | 9.4 |
| Means of travel | | | | | | | | | | | | | |
| Automobile | 28.8 | | 29.8 | | 30.6 | | 32.9 | | 30.9 | | 29.8 | | 29.4 |
| Airplane | 19.3 | | 20.7 | | 21.2 | | 20.4 | | 18.9 | | 19.9 | | 19.3 |
| Other | 4.3 | | 3.7 | | 4.3 | | 4.6 | | 3.8 | | 5.0 | | 4.7 |

(p)—preliminary (r)—revised

* All vacation plans data have been revised based on updated seasonal factors. Historical data are available on request.

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

**Inflation** **Interest Rates** **Stock Prices**

| Not seasonally adjusted | 1987 Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar.(r) | Apr.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expectations for Twelve Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 | 4.3 | 4.3 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | | | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.9 | 58.9 | 57.5 |
| Same | | | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 22.8 | 24.1 | 24.9 | 25.7 | 27.6 | 27.8 |
| Lower | | | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.4 | 13.5 | 14.7 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | | | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.6 | 46.9 | 38.7 |
| Same | | | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.6 | 34.6 | 33.8 |
| Decrease | | | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 29.8 | 18.4 | 27.6 |

## CONSUMER CONFIDENCE BY REGION

| Seasonally unadjusted Index numbers: 1985 = 100 | 1987 Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar.(r) | Apr.(p) | Avg. 1987 | Feb. 1988 | Mar., Apr. Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 137.3 | 150.5 | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 148.2 | 153.6 | 155.0 | 152.4 | 157.5 | 148.3 | 155.0 | 4.5 |
| Present Situation | 180.4 | 192.6 | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 202.4 | 200.0 | 204.2 | 190.5 | 202.2 | 6.2 |
| Expectations | 108.5 | 122.5 | 125.4 | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.6 | 123.2 | 123.4 | 120.6 | 126.4 | 120.2 | 123.5 | 2.7 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 102.3 | 98.8 | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 114.8 | 122.0 | 122.3 | 97.0 | 119.7 | 23.4 |
| Present Situation | 104.5 | 109.4 | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 136.2 | 143.9 | 141.2 | 97.5 | 140.4 | 44.0 |
| Expectations | 100.8 | 91.7 | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 89.6 | 95.9 | 100.5 | 107.4 | 109.6 | 96.7 | 105.9 | 9.5 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 79.4 | 86.4 | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.0 | 95.3 | 103.7 | 81.0 | 98.7 | 21.8 |
| Present Situation | 73.1 | 79.8 | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 99.2 | 91.3 | 101.3 | 74.4 | 97.2 | 30.8 |
| Expectations | 83.6 | 90.8 | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.6 | 97.9 | 105.4 | 85.4 | 99.6 | 16.6 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 65.4 | 77.6 | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 98.2 | 87.6 | 94.4 | 63.2 | 93.4 | 47.7 |
| Present Situation | 40.0 | 54.0 | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.8 | 69.4 | 75.1 | 43.3 | 76.4 | 76.4 |
| Expectations | 82.4 | 93.3 | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 107.2 | 99.7 | 107.3 | 76.5 | 104.7 | 36.9 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 133.1 | 135.5 | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 137.7 | 136.7 | 137.7 | 129.5 | 137.4 | 6.0 |
| Present Situation | 157.4 | 154.3 | 147.4 | 156.9 | 162.1 | 168.8 | 176.1 | 168.6 | 164.8 | 161.7 | 163.2 | 165.3 | 161.0 | 151.0 | 163.1 | 8.0 |
| Expectations | 117.0 | 122.9 | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 120.7 | 117.6 | 122.2 | 115.2 | 120.2 | 4.3 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 87.8 | 86.9 | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 114.9 | 109.8 | 98.0 | 89.6 | 107.6 | 20.1 |
| Present Situation | 61.8 | 71.8 | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 103.5 | 94.0 | 82.6 | 66.1 | 93.3 | 41.1 |
| Expectations | 105.1 | 96.9 | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.5 | 120.4 | 108.3 | 105.2 | 117.1 | 11.2 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 63.1 | 65.7 | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 81.7 | 69.7 | 75.3 | 61.8 | 75.6 | 22.3 |
| Present Situation | 9.8 | 13.4 | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 28.5 | 27.7 | 26.5 | 33.0 | 20.1 | 23.6 | 12.4 | 25.5 | 105.9 |
| Expectations | 98.7 | 100.6 | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 114.3 | 102.8 | 109.7 | 94.7 | 108.9 | 15.0 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 78.3 | 86.1 | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 76.4 | 85.7 | 84.5 | 82.4 | 94.6 | 86.2 | 75.0 | 87.8 | 17.0 |
| Present Situation | 44.8 | 55.6 | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.6 | 77.8 | 58.8 | 44.5 | 67.7 | 52.2 |
| Expectations | 100.6 | 106.4 | 100.7 | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 93.0 | 105.8 | 104.5 | 95.4 | 101.1 | 6.0 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 105.2 | 106.5 | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 135.2 | 125.2 | 118.8 | 107.6 | 126.4 | 17.4 |
| Present Situation | 105.5 | 112.9 | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 157.3 | 150.7 | 130.3 | 105.0 | 146.1 | 39.1 |
| Expectations | 105.0 | 102.3 | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 120.4 | 108.3 | 111.1 | 109.4 | 113.3 | 3.6 |

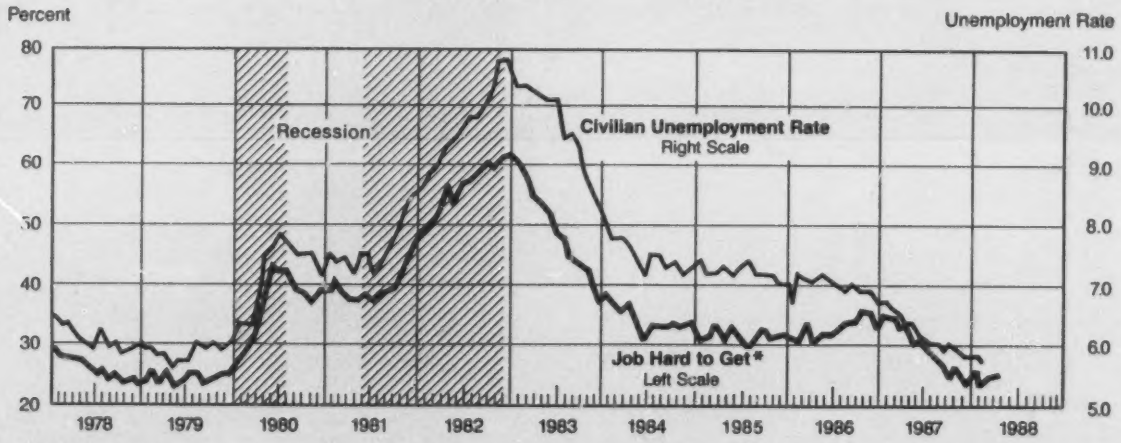
***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| *Seasonally adjusted index numbers: 1985 = 100* | 1987 | | | | | | | | | 1988 | | | | *3 mos. Percent, Change** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Apr.* | *May* | *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.* | *Feb.* | *Mar.(r)* | *Apr.(p)* | |
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 97.4 | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 114.6 | 7.5 |
| Present Situation | 92.7 | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 118.9 | 4.4 |
| Expectations | 100.5 | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 111.8 | 10.1 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 102.3 | 107.5 | 112.0 | 114.5 | 111.2 | 120.7 | 122.3 | 110.2 | 121.5 | 116.5 | 124.4 | 118.6 | 119.3 | 4.1 |
| 35-54 | 102.3 | 105.1 | 107.9 | 108.0 | 115.7 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | 113.6 | 117.1 | 118.9 | 9.0 |
| 55 and over | 85.8 | 93.8 | 87.1 | 93.8 | 102.7 | 102.5 | 107.2 | 86.7 | 95.6 | 99.1 | 104.6 | 98.7 | 103.3 | 9.0 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 94.4 | 99.1 | 115.8 | 111.4 | 116.9 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | 137.8 | 128.0 | 124.7 | 2.7 |
| 35-54 | 100.5 | 100.6 | 115.0 | 108.7 | 121.6 | 128.2 | 123.6 | 114.4 | 118.3 | 122.5 | 128.4 | 131.9 | 123.7 | 8.1 |
| 55 and over | 84.7 | 97.7 | 97.0 | 101.1 | 108.7 | 106.7 | 120.0 | 111.0 | 113.8 | 116.1 | 122.7 | 113.8 | 110.4 | 1.8 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 107.6 | 113.1 | 109.4 | 116.6 | 107.4 | 117.0 | 116.7 | 101.6 | 115.6 | 109.7 | 115.4 | 112.3 | 115.8 | 5.1 |
| 35-54 | 103.6 | 108.1 | 103.2 | 107.6 | 111.8 | 114.4 | 107.4 | 96.2 | 97.7 | 103.6 | 103.9 | 107.4 | 115.8 | 9.9 |
| 55 and over | 86.6 | 91.1 | 80.4 | 89.0 | 98.7 | 99.7 | 98.5 | 70.4 | 83.3 | 88.1 | 93.0 | 88.9 | 98.6 | 16.1 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 74.1 | 84.3 | 80.6 | 86.3 | 78.3 | 88.0 | 87.1 | 74.6 | 83.9 | 85.1 | 89.0 | 83.7 | 88.9 | 7.4 |
| $15,000-24,999 | 90.0 | 99.0 | 98.5 | 92.6 | 100.4 | 106.2 | 113.8 | 97.8 | 103.4 | 106.0 | 116.7 | 107.6 | 109.6 | 8.7 |
| $25,000 and over | 114.4 | 115.4 | 117.9 | 123.4 | 130.3 | 131.8 | 128.6 | 114.7 | 120.6 | 122.7 | 126.8 | 127.5 | 128.6 | 7.0 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 57.3 | 66.5 | 76.2 | 79.3 | 74.9 | 77.4 | 82.5 | 74.9 | 77.6 | 74.7 | 80.1 | 74.8 | 78.0 | 2.5 |
| $15,000-24,999 | 76.2 | 91.2 | 100.5 | 87.7 | 96.0 | 109.7 | 119.0 | 104.2 | 107.7 | 111.6 | 124.2 | 110.7 | 105.9 | 5.3 |
| $25,000 and over | 121.8 | 122.4 | 132.8 | 132.6 | 143.1 | 145.5 | 146.3 | 140.2 | 145.5 | 148.5 | 156.2 | 152.6 | 143.5 | 4.2 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 85.1 | 96.4 | 83.6 | 91.2 | 80.7 | 95.5 | 90.5 | 74.4 | 88.6 | 91.3 | 93.7 | 88.7 | 96.0 | 9.5 |
| $15,000-24,999 | 99.1 | 104.2 | 97.2 | 96.0 | 103.6 | 103.9 | 110.4 | 93.5 | 100.6 | 102.1 | 111.3 | 105.2 | 112.0 | 10.9 |
| $25,000 and over | 109.6 | 110.7 | 107.7 | 117.1 | 121.8 | 122.4 | 116.5 | 97.6 | 103.6 | 106.1 | 108.2 | 111.4 | 118.9 | 10.1 |

***Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

## Consumer Assessment of Job Availability and Unemployment




* Percent of respondents reporting "job hard to get," Conference Board Consumer Confidence Survey.


***Consumer Research Center***
The Conference Board, 845 Third Ave., New York, N.Y. 10022

# Consumer Confidence Survey

6/8/88 R4105-4

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**June 1988**

## CONFIDENCE AT 18-YEAR HIGH

The Conferene Board's measure of consumer confidence registered a smart gain in May. The Index (1985 = 100) now stands at 119.2, the strongest reading since late 1969. The series gained an impressive 3.5 points in May, following a comparably large improvement in April. Buying plans are also strong.

People were especially positive in their assessment of the present situation. There was a sturdy increase in those that considered business conditions to be "good," 31.7%, up from 28.3% previously. More persons also reported that jobs were "plentiful," 31% over 28 percent.

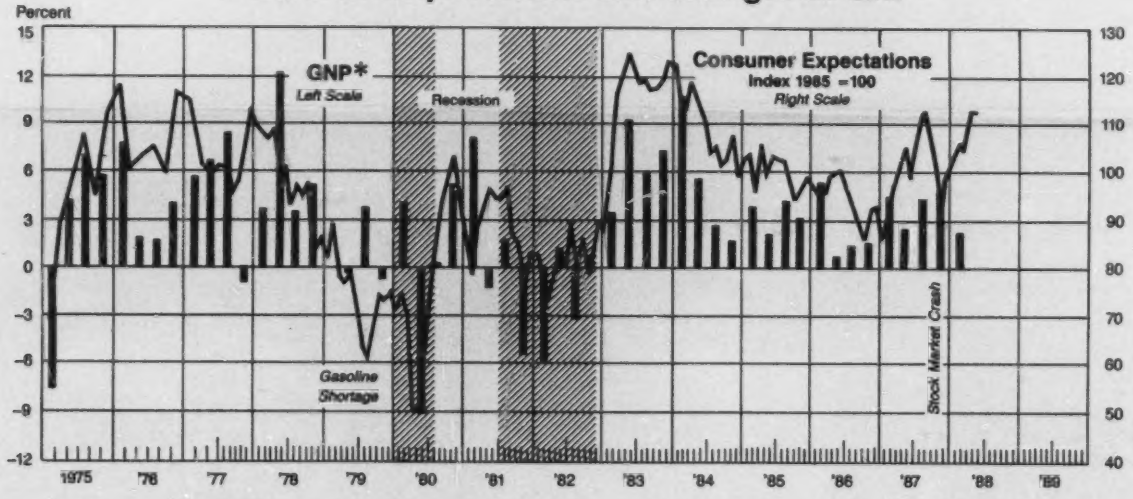
In looking ahead to the next six months, fewer respondents than last time now fear that business conditions will worsen—5.5%, down almost a full point from a month earlier (in November, following the financial crash, 12.4% of all survey participants expressed such concern). Slightly more persons than last time also expect more jobs to become available in the next six months. But there was also a gain in those that hold the reverse view. Also, slightly fewer people now expect their incomes will increase in the immediate future. On balance, consumer expectations remained unchanged. When ongoing conditions are regarded to be exceptionally good, expectations for further improvement tend to become somewhat more moderate.

Plans to buy a car over the next six months moved up from 9.1% in the previous survey to 9.4% in the latest probe, a very strong reading. Intentions to purchase a major appliance were reported by 35% of all those contacted. While this is the same figure as recorded last time, it also represents a very high level of buying intent. However, only 3% of all respondents indicated they would purchase a home in the coming months, down from 3.5% previously.

The steady and sturdy improvement in the consumer's spirits, despite the great financial fall of last October, attests to the increasing vigor of the economy. In recent months, the average workweek has been rising and hourly wages have also made good gains. At the same time, price increases have remained modest. This has added up to some fairly good gains in real earnings. Increased job security, with less unemployment, and more real buying power, with rising wage rates, clearly make for a more optimistic consumer.

Fabian Linden

### Consumer Expectations and Changes in GNP




* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**

Percentage of all households =100%

Business Employment Income

| *All series seasonally adjusted.* | 1987 *May* | *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | 1988 *Jan.* | *Feb.* | *Mar.* | *Apr.(r)* | *May(p)* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Composite Series: Index Numbers, 1985=100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 119.2 |
| **Present Situation** | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 128.9 |
| **Expectations** | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 112.8 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 25.2 | 28.9 | 26.1 | 28.5 | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 | 29.6 | 29.1 | 28.3 | 31.7 |
| Bad | 24.6 | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 20.3 | 18.5 | 18.3 | 18.9 | 18.8 | 20.9 | 18.2 |
| Normal | 50.2 | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.3 | 56.7 | 55.3 | 51.5 | 52.1 | 50.8 | 50.1 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 21.9 | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 26.8 | 27.0 | 29.5 | 31.4 | 28.9 | 27.8 | 30.8 |
| Jobs not so plentiful | 47.9 | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 47.0 | 49.4 | 44.8 | 45.9 | 47.0 | 48.1 | 45.1 |
| Jobs hard to get | 30.2 | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 26.2 | 23.6 | 25.7 | 22.9 | 24.1 | 24.1 | 24.1 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 20.8 | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 18.3 | 19.9 | 18.7 | 19.7 | 20.2 | 20.9 | 21.5 |
| Worse | 7.8 | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.4 | 9.2 | 8.0 | 7.9 | 7.6 | 6.4 | 5.5 |
| Same | 71.4 | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.3 | 70.9 | 73.3 | 72.4 | 72.2 | 72.7 | 73.0 |
| Employment | | | | | | | | | | | | | |
| More jobs | 17.7 | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.5 | 16.8 | 16.2 | 16.7 | 15.8 | 18.2 | 18.7 |
| Fewer jobs | 14.1 | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.1 | 16.6 | 15.6 | 14.4 | 14.0 | 11.9 | 12.9 |
| Same | 68.2 | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 | 68.9 | 70.2 | 69.9 | 68.4 |
| Income | | | | | | | | | | | | | |
| Increase | 24.1 | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 28.0 | 28.3 | 26.2 | 30.6 | 28.5 | 29.4 | 28.3 |
| Decrease | 6.6 | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.1 | 8.4 | 6.3 | 6.5 | 6.7 | 6.0 | 6.3 |
| Same | 69.3 | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 62.9 | 63.3 | 67.5 | 62.9 | 64.8 | 64.6 | 65.4 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 9.0 | 7.0 | 7.7 | 7.1 | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 | 9.6 | 9.4 | 9.1 | 9.4 |
| New | 4.2 | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 4.3 | 4.5 | 3.7 | 4.7 | 5.3 | 5.5 | 5.0 |
| Used | 3.6 | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.8 | 3.0 | 3.0 | 3.5 | 3.3 | 3.1 | 3.2 |
| Uncertain | 1.2 | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 | 1.4 | 0.8 | 0.5 | 1.2 |
| Home | | | | | | | | | | | | | |
| Yes | 4.1 | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.7 | 3.5 | 3.8 | 5.0 | 4.7 | 3.5 | 3.0 |
| New | 1.3 | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 1.3 | 1.6 | 1.7 | 1.1 | 1.0 |
| Lived in | 1.8 | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 | 2.1 | 2.1 | 1.7 | 1.1 |
| Uncertain | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.7 | 1.0 | 0.8 | 1.3 | 0.9 | 0.7 | 0.9 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 36.3 | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 31.1 | 28.2 | 29.4 | 36.0 | 34.0 | 35.0 | 35.0 |
| Refrigerator | 5.6 | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.3 | 4.1 | 5.0 | 5.8 | 5.4 | 5.3 | 5.6 |
| Washing machine | 4.8 | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 4.4 | 3.3 | 4.1 | 5.4 | 4.4 | 5.3 | 4.8 |
| TV Set | 9.2 | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 | 8.2 | 8.5 | 7.9 | 8.5 |
| Vacuum Cleaner | 6.4 | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.6 | 5.5 | 4.6 | 5.9 | 5.9 | 5.6 | 6.1 |
| Range | 3.9 | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.2 | 2.8 | 3.1 | 3.5 | 3.2 | 3.9 | 3.1 |
| Clothes dryer | 4.1 | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.7 | 3.1 | 3.7 | 4.2 | 4.2 | 4.4 | 4.7 |
| Air conditioner | 2.3 | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 | 3.0 | 2.4 | 2.6 | 2.2 |
| Carpet | 10.0 | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 | 7.7 | 8.3 | 8.3 | 9.5 | 6.2 | 8.5 |
| **Vacation Intended Within Six Months: Percent*** | | | | | | | | | | | | | |
| Vacation Intended | | 48.5 | | 51.9 | | 54.3 | | 50.9 | | 51.2 | | 49.7 | |
| Destination † | | | | | | | | | | | | | |
| U.S. | | 44.2 | | 46.7 | | 48.6 | | 44.5 | | 44.3 | | 42.8 | |
| Foreign country | | 6.6 | | 7.0 | | 7.9 | | 8.2 | | 8.9 | | 9.3 | |
| Means of travel | | | | | | | | | | | | | |
| Automobile | | 29.8 | | 30.6 | | 32.9 | | 30.9 | | 29.8 | | 29.8 | |
| Airplane | | 20.7 | | 21.2 | | 20.4 | | 18.9 | | 19.9 | | 19.1 | |
| Other | | 3.7 | | 4.3 | | 4.6 | | 3.8 | | 5.0 | | 4.4 | |

(p)—preliminary (r)—revised

* All vacation plans data have been revised based on updated seasonal factors. Historical data are available on request.

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

Inflation Interest Rates Stock Prices

| Not seasonally adjusted | 1987 May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr.(r) | May(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expectations for Twelve Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 | 4.3 | 4.4 | 4.3 | |
| Interest Rates | | | | | | | | | | | | | |
| Higher | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.9 | 58.9 | 58.0 | 65.8 | |
| Same | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 22.8 | 24.1 | 24.9 | 25.7 | 27.6 | 27.6 | 24.0 | |
| Lower | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.4 | 13.5 | 14.4 | 10.2 | |
| Stock Prices | | | | | | | | | | | | | |
| Increase | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.6 | 46.9 | 38.7 | 39.6 | |
| Same | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.6 | 34.6 | 33.6 | 33.9 | |
| Decrease | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 29.8 | 18.4 | 27.7 | 26.5 | |

## CONSUMER CONFIDENCE BY REGION

| Seasonally unadjusted Index numbers:1985 = 100 | 1987 May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr.(r) | May(p) | Average: Mar., Apr., May 1987 | 1988 | Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 150.5 | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 148.2 | 153.6 | 155.0 | 152.4 | 159.2 | 154.4 | 146.9 | 155.3 | 5.8 |
| Present Situation | 192.6 | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 202.4 | 200.0 | 203.7 | 204.4 | 188.0 | 202.7 | 7.8 |
| Expectations | 122.5 | 125.4 | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.6 | 123.2 | 123.4 | 120.6 | 129.6 | 121.0 | 119.4 | 123.7 | 3.6 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 98.8 | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 114.8 | 122.0 | 123.6 | 122.6 | 99.0 | 122.7 | 24.0 |
| Present Situation | 109.4 | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 136.2 | 143.9 | 142.9 | 148.1 | 103.3 | 145.0 | 40.4 |
| Expectations | 91.7 | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 89.8 | 95.9 | 100.5 | 107.4 | 110.7 | 105.6 | 96.1 | 107.9 | 12.3 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 86.4 | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.0 | 95.3 | 104.0 | 109.5 | 83.9 | 102.9 | 22.7 |
| Present Situation | 79.8 | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 99.2 | 91.3 | 102.8 | 110.1 | 76.8 | 101.4 | 32.0 |
| Expectations | 90.8 | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.6 | 97.9 | 104.7 | 109.1 | 88.6 | 103.9 | 17.3 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 77.6 | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 98.2 | 87.6 | 99.1 | 87.2 | 68.5 | 91.3 | 33.3 |
| Present Situation | 54.0 | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.8 | 69.4 | 82.9 | 88.8 | 44.3 | 80.3 | 81.4 |
| Expectations | 93.3 | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 107.2 | 99.7 | 109.9 | 86.2 | 84.6 | 98.6 | 16.5 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 135.5 | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 137.7 | 136.7 | 138.7 | 140.9 | 133.1 | 138.7 | 4.3 |
| Present Situation | 154.3 | 147.4 | 156.9 | 162.1 | 168.8 | 176.1 | 168.6 | 164.8 | 161.7 | 163.2 | 165.3 | 161.9 | 169.9 | 155.5 | 165.7 | 6.5 |
| Expectations | 122.9 | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 120.7 | 117.6 | 123.3 | 121.5 | 118.1 | 120.8 | 2.3 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 86.9 | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 114.9 | 109.8 | 96.8 | 113.6 | 90.0 | 106.8 | 18.6 |
| Present Situation | 71.8 | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 103.5 | 94.0 | 79.1 | 98.4 | 68.8 | 90.5 | 31.5 |
| Expectations | 96.9 | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.5 | 120.4 | 108.7 | 123.8 | 104.1 | 117.6 | 13.0 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 65.7 | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 81.7 | 69.7 | 75.3 | 77.1 | 62.7 | 74.0 | 18.0 |
| Present Situation | 13.4 | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 28.5 | 27.7 | 26.5 | 33.0 | 20.1 | 22.6 | 35.0 | 13.3 | 25.9 | 94.9 |
| Expectations | 100.6 | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 114.3 | 102.8 | 110.4 | 105.1 | 95.7 | 106.1 | 10.9 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 86.1 | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 76.4 | 85.7 | 84.5 | 82.4 | 94.6 | 87.5 | 96.7 | 80.2 | 92.9 | 15.9 |
| Present Situation | 55.6 | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.6 | 77.8 | 57.5 | 80.3 | 49.9 | 71.9 | 43.9 |
| Expectations | 106.4 | 100.7 | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 93.0 | 105.8 | 107.6 | 107.6 | 100.4 | 107.0 | 6.6 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 106.5 | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 135.2 | 125.2 | 121.1 | 123.5 | 106.2 | 123.3 | 16.1 |
| Present Situation | 112.9 | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 157.3 | 150.7 | 135.2 | 147.3 | 106.4 | 144.4 | 35.7 |
| Expectations | 102.3 | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 120.4 | 108.3 | 111.7 | 107.7 | 106.1 | 109.2 | 2.9 |

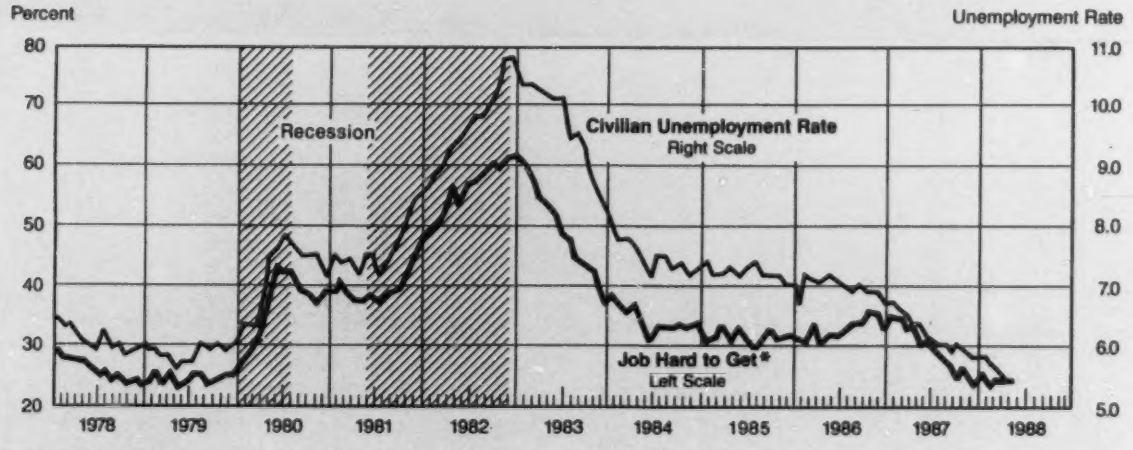
***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| Seasonally adjusted index numbers: 1985 = 100 | 1987 May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr.(r) | May(p) | 3 mos. Percent, Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 103.0 | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 119.2 | 4.5 |
| Present Situation | 99.1 | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 128.9 | 0.9 |
| Expectations | 105.6 | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 9[illegible].9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 112.8 | 7.5 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 107.5 | 112.0 | 114.5 | 111.2 | 120.7 | 122.3 | 110.2 | 121.5 | 116.5 | 124.4 | 118.6 | 120.4 | 122.5 | - 0.2 |
| 35-54 | 105.1 | 107.9 | 108.0 | 115.7 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | 113.6 | 117.1 | 119.5 | 121.7 | 8.3 |
| 55 and over | 93.8 | 87.1 | 93.8 | 102.7 | 102.5 | 107.2 | 86.7 | 95.6 | 99.1 | 104.6 | 98.7 | 104.4 | 111.7 | 5.2 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 99.1 | 115.8 | 111.4 | 116.9 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | 137.8 | 128.0 | 127.1 | 129.4 | - 2.6 |
| 35-54 | 100.6 | 115.0 | 108.7 | 121.6 | 128.2 | 123.6 | 114.4 | 118.3 | 122.5 | 128.4 | 131.9 | 124.5 | 132.2 | 5.2 |
| 55 and over | 97.7 | 97.0 | 101.1 | 108.7 | 106.7 | 120.0 | 111.0 | 113.8 | 116.1 | 122.7 | 113.8 | 110.7 | 125.6 | - 0.7 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 113.1 | 109.4 | 116.6 | 107.4 | 117.0 | 116.7 | 101.6 | 115.6 | 109.7 | 115.4 | 112.3 | 116.0 | 118.0 | 1.7 |
| 35-54 | 108.1 | 103.2 | 107.6 | 111.8 | 114.4 | 107.4 | 96.2 | 97.7 | 103.6 | 103.9 | 107.4 | 116.4 | 114.8 | 10.9 |
| 55 and over | 91.1 | 80.4 | 89.0 | 98.7 | 99.7 | 98.5 | 70.4 | 83.3 | 88.1 | 93.0 | 88.9 | 100.3 | 102.6 | 10.4 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 84.3 | 80.6 | 86.3 | 78.3 | 88.0 | 87.1 | 74.6 | 83.9 | 85.1 | 89.0 | 83.7 | 89.8 | 93.1 | 3.3 |
| $15,000-24,999 | 99.0 | 98.5 | 92.6 | 100.4 | 106.2 | 113.8 | 97.8 | 103.4 | 106.0 | 116.7 | 107.6 | 109.8 | 111.0 | 0.7 |
| $25,000 and over | 115.4 | 117.9 | 123.4 | 130.3 | 131.8 | 128.6 | 114.7 | 120.6 | 122.7 | 126.8 | 127.5 | 129.7 | 135.0 | 6.0 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 66.5 | 76.2 | 79.3 | 74.9 | 77.4 | 82.5 | 74.9 | 77.6 | 74.7 | 80.1 | 74.8 | 78.8 | 87.6 | 3.8 |
| $15,000-24,999 | 91.2 | 100.5 | 87.7 | 96.0 | 109.7 | 119.0 | 104.2 | 107.7 | 111.6 | 124.2 | 110.7 | 103.9 | 116.3 | - 3.7 |
| $25,000 and over | 122.4 | 132.8 | 132.6 | 143.1 | 145.5 | 146.3 | 140.2 | 145.5 | 148.5 | 156.2 | 152.6 | 145.5 | 154.7 | 0.6 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 96.4 | 83.6 | 91.2 | 80.7 | 95.5 | 90.5 | 74.4 | 88.6 | 91.3 | 93.7 | 88.7 | 97.0 | 96.9 | 3.3 |
| $15,000-24,999 | 104.2 | 97.2 | 96.0 | 103.6 | 103.9 | 110.4 | 93.5 | 100.6 | 102.1 | 111.3 | 105.2 | 113.7 | 107.6 | 3.9 |
| $25,000 and over | 110.7 | 107.7 | 117.1 | 121.8 | 122.4 | 116.5 | 97.6 | 103.6 | 106.1 | 108.2 | 111.4 | 119.4 | 122.0 | 11.0 |

***Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

### Consumer Assessment of Job Availability and Unemployment




* Percent of respondents reporting "job hard to get," Conference Board Consumer Confidence Survey.


***Consumer Research Center***
The Conference Board, 845 Third Ave., New York, N.Y. 10022

7/4/88 R4105-4

# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**July 1988**

## CONFIDENCE DOWN BUT STILL STRONG

The Index of Consumer Confidence (1985 = 100), which had registered a sturdy increase in May, gave back all of the gain in June. The current Index reading is at 115.5, a loss of almost five points for the month. In the latest survey, consumers were somewhat less positive in their assessment of ongoing conditions, and markedly less optimistic in their expectations for the coming months. Declines in confidence were experienced in almost all regions of the country. Buying plans were mixed to weaker.

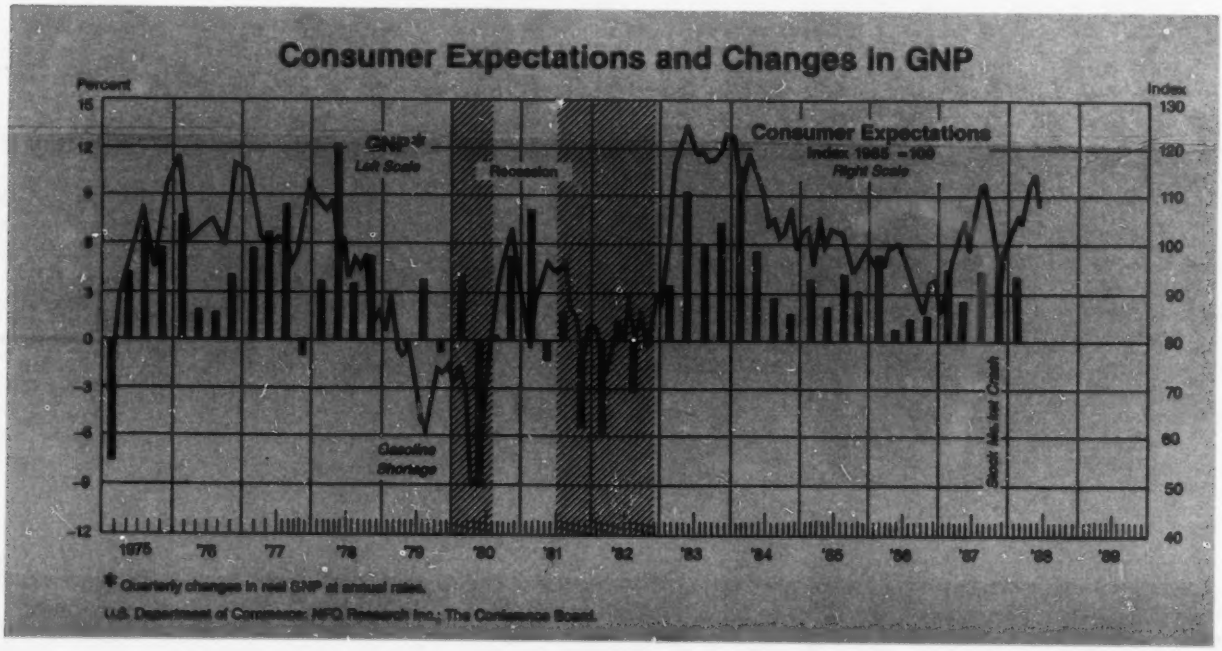
In June, as compared with the prior survey, substantially fewer respondents believed that business conditions were "good"--only 27.2%, down from 31.6%. On the issue of employment, however, opinion has not changed very much. Some 31% say that jobs are "plentiful," which is about the same as a month ago. Slightly fewer people, however, complain that jobs are "hard to get."

In looking ahead to the next six months, a smaller proportion of respondents than last time, 20% down from 22%, believe business conditions will improve. Employment expectations are also less positive. There was a small rise in the proportion of those who fear jobs will become sparser. People are also less positive about their own immediate financial outlook. In June, less than 26% expected their incomes to increase over the next six months, down from a preceding 29%.

Plans to buy cars, which had been running very strong for some months, were down in June to 8.4% of respondents from a previous 9.4 percent. The timing of the industry's promotions probably had a lot to do with this development. Intentions to purchase a major appliance are down from 36% to 29% of all respondents. Home buying plans moved up in June but are still below the levels registered earlier in the year.

Despite the decline in the Consumer Confidence Index, the current reading is still at a reassuringly high level. The present figure is more than 12 points ahead of this time last year. It is still not clear what made for last month's decline in confidence. A contributing cause may be growing concern that interest rates will soon increase. In fact, on a survey question concerning this issue, 72% of all respondents indicated that they anticipate a rise in rates, compared with less than 66% a month earlier.

Fabian Linden



## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**

Percentage of all households = 100%

**Business** **Employment** **Income**

| *All series seasonally adjusted.* | 1987 *June* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | 1988 *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May(r)* | *June(p)* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Composite Series: Index Numbers, 1985 = 100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 102.1 | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 120.2 | 115.5 |
| **Present Situation** | 107.9 | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 129.0 | 125.8 |
| **Expectations** | 98.2 | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 114.4 | 108.7 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 28.9 | 26.1 | 28.5 | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 | 29.6 | 29.1 | 28.3 | 31.6 | 27.2 |
| Bad | 22.7 | 22.9 | 20.3 | 19.4 | 19.4 | 20.3 | 18.5 | 18.3 | 18.9 | 18.8 | 20.9 | 18.4 | 19.7 |
| Normal | 48.4 | 51.0 | 51.2 | 50.7 | 49.7 | 53.3 | 56.7 | 55.3 | 51.5 | 52.1 | 50.8 | 50.0 | 53.1 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 25.1 | 24.6 | 27.0 | 27.8 | 28.5 | 26.8 | 27.0 | 29.5 | 31.4 | 28.9 | 27.8 | 30.8 | 31.2 |
| Jobs not so plentiful | 44.3 | 46.1 | 45.3 | 46.1 | 47.4 | 47.0 | 49.4 | 44.8 | 45.9 | 47.0 | 48.1 | 45.4 | 45.7 |
| Jobs hard to get | 30.6 | 29.3 | 27.7 | 26.1 | 24.1 | 26.2 | 23.6 | 25.7 | 22.9 | 24.1 | 24.1 | 23.8 | 23.1 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 18.5 | 19.6 | 22.0 | 24.2 | 23.7 | 18.3 | 19.9 | 18.7 | 19.7 | 20.2 | 20.9 | 22.0 | 20.3 |
| Worse | 9.3 | 7.4 | 7.2 | 7.2 | 8.1 | 12.4 | 9.2 | 8.0 | 7.9 | 7.6 | 6.4 | 5.3 | 6.7 |
| Same | 72.2 | 73.0 | 70.8 | 68.6 | 68.2 | 69.3 | 70.9 | 73.3 | 72.4 | 72.2 | 72.7 | 72.7 | 73.0 |
| Employment | | | | | | | | | | | | | |
| More jobs | 16.1 | 17.5 | 20.1 | 20.9 | 19.3 | 15.5 | 16.8 | 16.2 | 16.7 | 15.8 | 18.2 | 19.0 | 18.4 |
| Fewer jobs | 16.0 | 14.6 | 15.3 | 14.2 | 13.8 | 19.1 | 16.6 | 15.6 | 14.4 | 14.0 | 11.9 | 12.6 | 13.9 |
| Same | 67.9 | 67.9 | 64.6 | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 | 68.9 | 70.2 | 69.9 | 68.4 | 67.7 |
| Income | | | | | | | | | | | | | |
| Increase | 23.7 | 26.1 | 26.5 | 29.5 | 28.7 | 28.0 | 28.3 | 26.2 | 30.6 | 28.5 | 29.4 | 29.0 | 25.8 |
| Decrease | 7.4 | 6.6 | 7.5 | 5.8 | 7.3 | 9.1 | 8.4 | 6.3 | 6.5 | 6.7 | 6.0 | 6.0 | 6.2 |
| Same | 68.9 | 67.3 | 66.0 | 64.7 | 64.0 | 62.9 | 63.3 | 67.5 | 62.9 | 64.8 | 64.6 | 65.0 | 68.0 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.0 | 7.7 | 7.1 | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 | 9.6 | 9.4 | 9.1 | 9.4 | 8.5 |
| New | 3.3 | 4.8 | 3.6 | 3.8 | 4.2 | 4.3 | 4.5 | 3.7 | 4.7 | 5.3 | 5.5 | 4.9 | 4.7 |
| Used | 3.1 | 2.1 | 2.9 | 3.5 | 3.0 | 2.8 | 3.0 | 3.0 | 3.5 | 3.3 | 3.1 | 3.3 | 3.3 |
| Uncertain | 0.6 | 0.8 | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 | 1.4 | 0.8 | 0.5 | 1.2 | 0.5 |
| Home | | | | | | | | | | | | | |
| Yes | 3.3 | 3.6 | 4.1 | 3.9 | 3.9 | 3.7 | 3.5 | 3.8 | 5.0 | 4.7 | 3.5 | 3.3 | 3.8 |
| New | 0.9 | 0.8 | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 1.3 | 1.6 | 1.7 | 1.1 | 1.1 | 0.8 |
| Lived in | 1.5 | 2.1 | 1.8 | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 | 2.1 | 2.1 | 1.7 | 1.3 | 2.0 |
| Uncertain | 0.9 | 0.7 | 0.9 | 0.9 | 1.1 | 0.7 | 1.0 | 0.8 | 1.3 | 0.9 | 0.7 | 0.9 | 1.0 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 29.4 | 29.8 | 30.5 | 32.5 | 32.0 | 31.1 | 28.2 | 29.4 | 36.0 | 34.0 | 35.0 | 35.8 | 28.9 |
| Refrigerator | 4.7 | 4.6 | 4.5 | 5.1 | 4.7 | 4.3 | 4.1 | 5.0 | 5.8 | 5.4 | 5.3 | 5.9 | 4.7 |
| Washing machine | 3.9 | 4.4 | 4.1 | 5.4 | 4.8 | 4.4 | 3.3 | 4.1 | 5.4 | 4.4 | 5.3 | 5.1 | 3.5 |
| TV Set | 7.4 | 7.8 | 7.2 | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 | 8.2 | 8.5 | 7.9 | 8.6 | 7.4 |
| Vacuum Cleaner | 4.6 | 4.8 | 5.0 | 5.6 | 5.3 | 5.6 | 5.5 | 4.6 | 5.9 | 5.9 | 5.6 | 6.0 | 4.6 |
| Range | 2.9 | 3.2 | 3.3 | 2.9 | 3.6 | 3.2 | 2.8 | 3.1 | 3.5 | 3.2 | 3.9 | 3.1 | 3.0 |
| Clothes dryer | 3.8 | 3.2 | 3.6 | 3.7 | 4.0 | 3.7 | 3.1 | 3.7 | 4.2 | 4.2 | 4.4 | 4.9 | 3.5 |
| Air conditioner | 2.1 | 1.8 | 2.8 | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 | 3.0 | 2.4 | 2.6 | 2.2 | 2.2 |
| Carpet | 7.3 | 7.0 | 6.0 | 8.3 | 6.7 | 6.8 | 7.7 | 8.3 | 8.3 | 9.5 | 6.2 | 8.7 | 6.9 |
| **Vacation Intended Within Six Months: Percent*** | | | | | | | | | | | | | |
| Vacation Intended | 48.5 | | 51.9 | | 54.3 | | 50.9 | | 51.2 | | 49.7 | | 48.0 |
| Destination † | | | | | | | | | | | | | |
| U.S. | 44.2 | | 46.7 | | 48.6 | | 44.5 | | 44.3 | | 42.8 | | 41.1 |
| Foreign country | 6.6 | | 7.0 | | 7.8 | | 8.2 | | 8.9 | | 9.3 | | 9.4 |
| Means of travel | | | | | | | | | | | | | |
| Automobile | 29.8 | | 30.6 | | 32.9 | | 30.9 | | 29.8 | | 29.8 | | 27.5 |
| Airplane | 20.7 | | 21.2 | | 20.4 | | 18.9 | | 19.9 | | 19.1 | | 20.9 |
| Other | 3.7 | | 4.3 | | 4.6 | | 3.8 | | 5.0 | | 4.4 | | 4.6 |

(p)—preliminary (r)—revised

* All vacation plans data have been revised based on updated seasonal factors. Historical data are available on request.

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

| Not seasonally adjusted | 1987 June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr. | May(r) | June(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expectations for Twelve Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 | 4.3 | 4.4 | 4.4 | 4.3 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | 71.6 | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.9 | 58.9 | 58.0 | 66.5 | 72.2 |
| Same | 18.3 | 25.4 | 24.0 | 18.4 | 17.2 | 22.8 | 24.1 | 24.9 | 25.7 | 27.6 | 27.6 | 23.6 | 19.3 |
| Lower | 10.1 | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.4 | 13.5 | 14.4 | 9.9 | 8.5 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | 43.6 | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.6 | 46.9 | 38.7 | 39.3 | 40.8 |
| Same | 34.9 | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.6 | 34.6 | 33.6 | 34.3 | 34.9 |
| Decrease | 21.5 | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 29.8 | 18.4 | 27.7 | 26.4 | 24.3 |

## CONSUMER CONFIDENCE BY REGION

| Seasonally unadjusted Index numbers:1985 = 100 | 1987 June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr. | May(r) | June(p) | AVERAGE:Apr.,May,June 1987 | 1988 | Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 155.8 | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 148.2 | 153.6 | 155.0 | 152.4 | 159.2 | 153.9 | 152.2 | 147.9 | 155.1 | 4.9 |
| Present Situation | 201.5 | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 202.4 | 200.0 | 203.7 | 203.0 | 209.3 | 191.5 | 205.3 | 7.2 |
| Expectations | 125 4 | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.6 | 123.2 | 123.4 | 120.6 | 129.6 | 121.2 | 114.2 | 118.8 | 121.7 | 2.4 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 104.6 | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 114.8 | 122.0 | 123.6 | 125.5 | 121.5 | 101.9 | 123.5 | 21.2 |
| Present Situation | 123.4 | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 136.2 | 143.9 | 142.9 | 151.6 | 152.3 | 112.4 | 148.9 | 32.4 |
| Expectations | 92.1 | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 89.8 | 95.9 | 100.5 | 107.4 | 110.7 | 108.1 | 100.9 | 94.9 | 106.6 | 12.3 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 83.3 | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.0 | 95.3 | 104.0 | 108.7 | 102.8 | 83.0 | 105.1 | 26.6 |
| Present Situation | 98.8 | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 99.2 | 91.3 | 102.8 | 107.7 | 111.5 | 83.9 | 107.3 | 28.0 |
| Expectations | 73.0 | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.6 | 97.9 | 104.7 | 109.4 | 97.0 | 82.5 | 103.7 | 25.7 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 78.3 | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 96.2 | 87.6 | 99.1 | 88.4 | 89.8 | 73.8 | 92.4 | 25.3 |
| Present Situation | 72.8 | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.8 | 69.4 | 82.9 | 93.8 | 96.4 | 55.6 | 91.0 | 63.7 |
| Expectations | 82.0 | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 107.2 | 99.7 | 109.9 | 84.9 | 85.4 | 85.9 | 93.4 | 8.7 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 125.5 | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 137.7 | 136.7 | 138.7 | 142.2 | 136.6 | 131.4 | 139.2 | 5.9 |
| Present Situation | 147.4 | 156.9 | 162.1 | 168.8 | 176.1 | 168.6 | 164.8 | 161.7 | 163.2 | 165.3 | 161.9 | 168.9 | 159.8 | 153.0 | 163.5 | 6.9 |
| Expectations | 110.9 | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 120.7 | 117.6 | 123.3 | 124.5 | 121.1 | 116.9 | 122.9 | 5.1 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 88.0 | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 114.9 | 109.8 | 96.8 | 115.0 | 97.0 | 87.6 | 103.0 | 17.6 |
| Present Situation | 78.0 | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 103.5 | 94.0 | 79.1 | 97.9 | 92.1 | 70.5 | 89.7 | 27.2 |
| Expectations | 94.8 | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.5 | 120.4 | 108.7 | 126.5 | 100.4 | 98.9 | 111.8 | 13.0 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 70.5 | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 81.7 | 69.7 | 75.3 | 77.9 | 76.8 | 66.5 | 76.7 | 15.3 |
| Present Situation | 23.6 | 19.6 | 26.2 | 28.3 | 26.1 | 28.5 | 27.7 | 26.5 | 33.0 | 20.1 | 22.6 | 34.6 | 27.7 | 15.6 | 28.3 | 81.7 |
| Expectations | 101.9 | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 114.3 | 102.8 | 110.4 | 106.8 | 109.5 | 100.4 | 108.9 | 8.5 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 83.8 | 74.8 | 84.2 | 102.8 | 101.4 | 76.4 | 85.7 | 84.5 | 82.4 | 94.6 | 87.5 | 94.4 | 86.6 | 82.7 | 89.5 | 8.2 |
| Present Situation | 58.4 | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.6 | 77.8 | 67.5 | 73.2 | 70.8 | 52.9 | 69.1 | 30.6 |
| Expectations | 100 7 | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 93.0 | 105.8 | 107.6 | 104.6 | 97.2 | 102 6 | 103.1 | 0.5 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 112.3 | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 135.2 | 125.2 | 121.1 | 125.5 | 125.9 | 108.0 | 124.1 | 15.0 |
| Present S. ·ation | 133.2 | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 157.3 | 150.7 | 135.2 | 149.1 | 150.8 | 117.2 | 145.0 | 23.8 |
| Expectations | 98.4 | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 120.4 | 108.3 | 111.7 | 109.7 | 109.3 | 101.9 | 110.2 | 8.2 |

***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

# Consumer Confidence Survey

R4105-4

- Business
- Employment
- Income
- Inflation
- Interest Rates
- Stock Prices

**August 1988**

## CONSUMERS SLIGHTLY LESS OPTIMISTIC

There was a modest decline in consumer confidence in July. This was the second consecutive loss in the Board's monthly Confidence Index (1985 = 100). Most of this decline is accounted for by the drought-stricken regions of the country.

The present Index reading is 113.0, a drop of 2.7 for the month. This measure is now off some 7 points since May. In the most recent probe, people continued to be quite positive in their evaluation of the ongoing situation, but somewhat less sanguine in their expectations for the months to come. Their spending plans have not changed much.

Slightly more people than in the previous survey now believe that business is "good," 28%, up from 27 percent. Consumers also remain comfortable with the present employment situation. Some 31% of respondents report that jobs are "plentiful," slightly over 22% complain they are hard to find. These are about the same numbers picked up a month earlier.

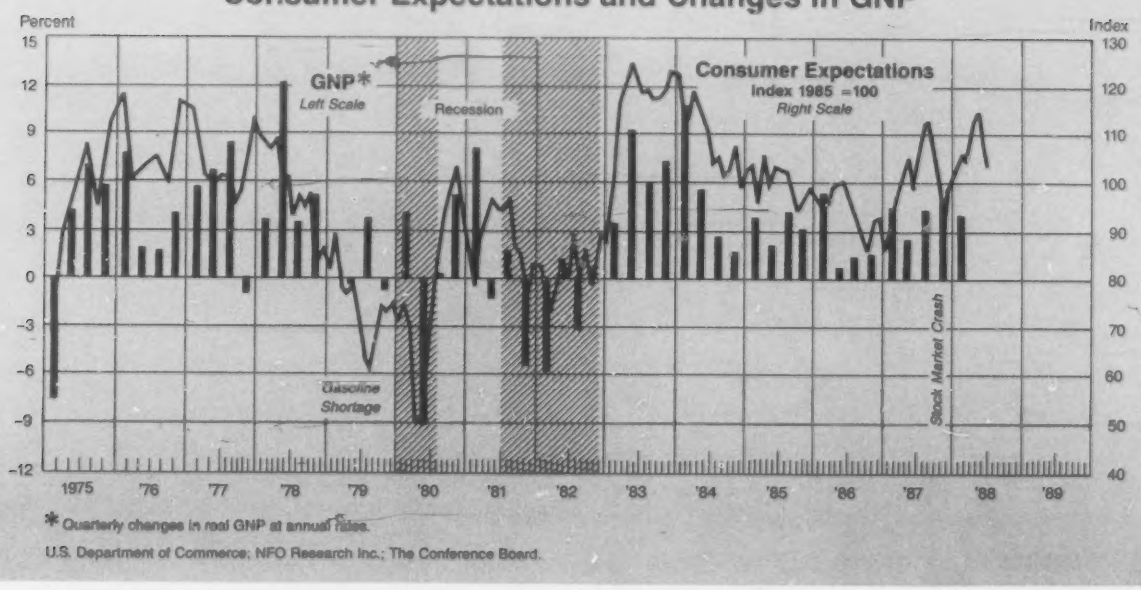
In looking ahead to the next six months, however, consumers feel somewhat less secure. More people than previously are concerned that business conditions will worsen—almost 10%, up from 7 percent. Also, on the issue of employment prospects, more people now express the worry that jobs will become scarcer—15.3%, up from 13.8 percent. However, concerning their personal financial outlook, respondents are slightly more positive than a month ago, but still less optimistic than earlier in the year.

Buying plans remained substantially unchanged in July. Some 8.7% plan to purchase an automobile within the next six months—a strong reading, though not quite as strong as recorded earlier in the year. Plans to buy a home, which registered an impressive gain in June, were down moderately in July. Plans to acquire a major appliance were indicated by 30.3% of all respondents—the same figure as in June, but lower than earlier in the year.

Although consumer optimism edged off in the past two months, most of the loss was registered in the major agricultural regions. More generally, there appears to be some concern that living costs will increase as a result of the drought. On a question concerning inflation, consumers now expect prices to rise by 5.0% over the next year, up from 4.4%—a level that roughly has been maintained for the past year.

Fabian Linden

### Consumer Expectations and Changes in GNP




* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**

Percentage of all households = 100%

| | Business | | | Employment | | | Income |
|---|---|---|---|---|---|---|---|
| | 1987 | | | 1988 | | | |
| *All series seasonally adjusted* | *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May* | *June(r)* | *July(p)* |
| **Composite Series: Index Numbers, 1985 = 100** | | | | | | | |
| **Consumer Confidence Index** | 109.9 | 114.9 | 112.7 | 115.7 | 120.2 | 115.7 | 113.0 |
| **Present Situation** | 121.5 | 129.1 | 124.5 | 120.2 | 129.0 | 126.3 | 127.4 |
| **Expectations** | 102.2 | 105.5 | 104.9 | 112.8 | 114.4 | 108.6 | 103.5 |
| **Appraisal of Present Situation: Percent** | | | | | | | |
| Business Conditions | | | | | | | |
| Good | 26.4 | 29.6 | 29.1 | 28.3 | 31.6 | 27.4 | 28.3 |
| Bad | 18.3 | 18.9 | 18.8 | 20.9 | 18.4 | 19.7 | 19.4 |
| Normal | 55.3 | 51.5 | 52.1 | 50.8 | 50.0 | 52.9 | 52.3 |
| Employment | | | | | | | |
| Jobs plentiful | 29.5 | 31.4 | 28.9 | 27.8 | 30.8 | 31.1 | 30.8 |
| Jobs not so plentiful | 44.8 | 45.9 | 47.0 | 48.1 | 45.4 | 46.1 | 46.8 |
| Jobs hard to get | 25.7 | 22.9 | 24.1 | 24.1 | 23.8 | 22.8 | 22.4 |
| **Expectations for Six Months Hence: Percent** | | | | | | | |
| Business Conditions | | | | | | | |
| Better | 18.7 | 19.7 | 20.2 | 20.9 | 22.0 | 20.4 | 20.0 |
| Worse | 8.0 | 7.9 | 7.6 | 6.4 | 5.3 | 6.7 | 9.7 |
| Same | 73.3 | 72.4 | 72.2 | 72.7 | 72.7 | 72.9 | 70.3 |
| Employment | | | | | | | |
| More jobs | 16.2 | 16.7 | 15.8 | 18.2 | 19.0 | 18.3 | 17.9 |
| Fewer jobs | 15.6 | 14.4 | 14.0 | 11.9 | 12.6 | 13.8 | 15.3 |
| Same | 68.2 | 68.5 | 70.2 | 69.9 | 68.4 | 67.9 | 66.8 |
| Income | | | | | | | |
| Increase | 26.2 | 30.6 | 28.5 | 29.4 | 29.0 | 26.3 | 27.8 |
| Decrease | 6.3 | 6.5 | 6.7 | 6.0 | 6.0 | 6.4 | 6.2 |
| Same | 67.5 | 62.9 | 64.8 | 64.6 | 65.0 | 67.3 | 66.0 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | |
| Automobile | | | | | | | |
| Yes | 7.5 | 9.6 | 9.4 | 9.1 | 9.4 | 8.9 | 8.7 |
| New | 3.7 | 4.7 | 5.3 | 5.5 | 4.9 | 5.0 | 4.5 |
| Used | 3.0 | 3.5 | 3.3 | 3.1 | 3.3 | 3.4 | 3.2 |
| Uncertain | 0.8 | 1.4 | 0.8 | 0.5 | 1.2 | 0.5 | 1.0 |
| Home | | | | | | | |
| Yes | 3.8 | 5.0 | 4.7 | 3.5 | 3.3 | 4.0 | 3.7 |
| New | 1.3 | 1.6 | 1.7 | 1.1 | 1.1 | 0.9 | 1.2 |
| Lived in | 1.7 | 2.1 | 2.1 | 1.7 | 1.3 | 2.1 | 1.5 |
| Uncertain | 0.8 | 1.3 | 0.9 | 0.7 | 0.9 | 1.0 | 1.0 |
| Major appliances | | | | | | | |
| Total plans | 29.4 | 36.0 | 34.0 | 35.0 | 35.8 | 30.3 | 30.3 |
| Refrigerator | 5.0 | 5.8 | 5.4 | 5.3 | 5.9 | 4.7 | 4.4 |
| Washing machine | 4.1 | 5.4 | 4.4 | 5.3 | 5.1 | 3.9 | 4.7 |
| TV Set | 6.7 | 8.2 | 8.5 | 7.9 | 8.6 | 7.5 | 6.1 |
| Vacuum Cleaner | 4.6 | 5.9 | 5.9 | 5.6 | 6.0 | 4.9 | 5.3 |
| Range | 3.1 | 3.5 | 3.2 | 3.9 | 3.1 | 3.1 | 3.2 |
| Clothes dryer | 3.7 | 4.2 | 4.2 | 4.4 | 4.9 | 3.8 | 4.0 |
| Air conditioner | 2.2 | 3.0 | 2.4 | 2.6 | 2.2 | 2.4 | 2.6 |
| Carpet | 8.3 | 8.3 | 9.5 | 8.2 | 8.7 | 7.6 | 6.8 |
| **Vacation Intended Within Six Months: Percent*** | | | | | | | |
| Vacation Intended | 51.9 | | 54.3 | 50.9 | 51.2 | 49.7 | 48.5 |
| Destination † | | | | | | | |
| U.S. | 46.7 | | 48.6 | 44.5 | 44.3 | 42.8 | 41.7 |
| Foreign country | 7.0 | | 7.6 | 8.2 | 8.9 | 9.3 | 9.3 |
| Means of travel | | | | | | | |
| Automobile | 30.5 | | 32.9 | 30.9 | 29.8 | 29.8 | 27.9 |
| Airplane | 21.2 | | 20.4 | 18.9 | 19.9 | 19.1 | 20.8 |
| Other | 4.3 | | 4.6 | 3.8 | 5.0 | 4.4 | 4.5 |

(p)—preliminary (r)—revised

* All vacation plans data have been revised based on updated seasonal factors. Historical data are available on request.

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

**Data in this publication are available for downloading to your PC. For information, phone (212) 759-0900 Ext. 216.**

| Inflation | Interest Rates | Stock Prices | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | | | | | | 1988 | | | | | | |
| *Not seasonally adjusted* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May* | *June(r)* | *July(p)* |
| | Expectations for Twelve Months Hence: Percent | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 | 4.3 | 4.4 | 4.4 | 4.4 | 5.0 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | 64.8 | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.9 | 58.9 | 58.0 | 66.5 | 71.5 | 67.5 |
| Same | 25.4 | 24.0 | 18.4 | 17.2 | 22.3 | 24.1 | 24.9 | 25.7 | 27.6 | 27.6 | 23.6 | 20.0 | 21.9 |
| Lower | 9.8 | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.4 | 13.5 | 14.4 | 9.9 | 8.5 | 10.6 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | 46.3 | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.6 | 46.9 | 38.7 | 39.3 | 39.8 | 41.0 |
| Same | 36.9 | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.6 | 34.6 | 33.6 | 34.3 | 35.8 | 34.6 |
| Decrease | 16.8 | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 29.8 | 18.4 | 27.7 | 26.4 | 24.4 | 24.4 |

## CONSUMER CONFIDENCE BY REGION

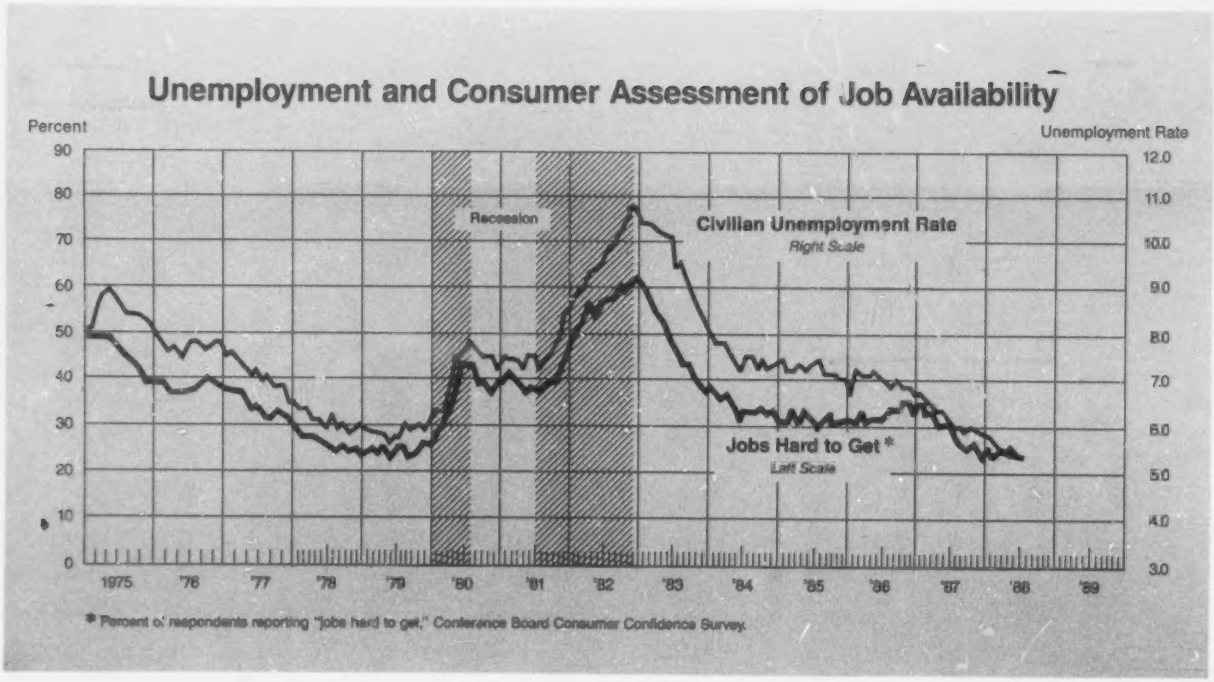
| | 1987 | | | | | | 1988 | | | | | | | AVERAGE: May, June, July | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Seasonally unadjusted Index numbers: 1985 = 100* | *July* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May* | *June(r)* | *July(p)* | *1987* | *1988* | *Percent Change** |
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 156.6 | 152.7 | 158.5 | 160.0 | 141.7 | 148.2 | 153.6 | 155.0 | 152.4 | 159.2 | 153.9 | 149.8 | 154.2 | 154.3 | 152.6 | – 1.1 |
| Present Situation | 206.9 | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 202.4 | 200.0 | 203.7 | 203.0 | 207.0 | 200.2 | 200.3 | 203.4 | 1.5 |
| Expectations | 123.0 | 116.5 | 124.6 | 127.6 | 102.3 | 110.8 | 123.2 | 123.4 | 120.6 | 129.6 | 121.2 | 111.7 | 123.5 | 123.6 | 118.8 | – 3.9 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 113.5 | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 114.8 | 122.0 | 123.6 | 125.5 | 121.8 | 121.3 | 105.6 | 122.9 | 16.3 |
| Present Situation | 130.5 | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 136.2 | 143.9 | 142.9 | 142.9 | 152.6 | 147.6 | 121.1 | 150.6 | 24.3 |
| Expectations | 102.1 | 97.3 | 103.3 | 105.2 | 84.3 | 89.8 | 95.9 | 100.5 | 107.4 | 110.7 | 108.1 | 101.3 | 103.8 | 95.3 | 104.4 | 9.5 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 87.3 | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.0 | 95.3 | 104.0 | 108.7 | 102.3 | 92.9 | 85.7 | 101.3 | 18.3 |
| Present Situation | 86.5 | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 99.2 | 91.3 | 102.8 | 107.7 | 111.0 | 114.7 | 88.3 | 111.1 | 25.8 |
| Expectations | 87.9 | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.6 | 97.9 | 104.7 | 109.4 | 96.6 | 78.4 | 83.9 | 94.8 | 13.0 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 70.1 | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 98.2 | 87.6 | 99.1 | 88.4 | 91.4 | 69.7 | 75.3 | 83.2 | 10.4 |
| Present Situation | 55.5 | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.8 | 69.4 | 82.9 | 93.8 | 97.6 | 88.7 | 60.8 | 93.3 | 53.6 |
| Expectations | 79.9 | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 107.2 | 99.7 | 109.9 | 84.9 | 87.3 | 57.0 | 85.1 | 76.4 | –10.2 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 134.7 | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 137.7 | 136.7 | 138.7 | 142.2 | 138.2 | 140.5 | 131.9 | 140.3 | 6.4 |
| Present Situation | 156.9 | 162.1 | 168.8 | 176.1 | 168.6 | 164.8 | 161.7 | 163.2 | 165.3 | 161.9 | 168.9 | 163.8 | 169.9 | 152.8 | 167.5 | 9.6 |
| Expectations | 119.8 | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 120.7 | 117.6 | 123.3 | 124.5 | 121.2 | 120.9 | 117.9 | 122.2 | 3.7 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 87.6 | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 114.9 | 109.8 | 96.8 | 115.0 | 97.1 | 84.4 | 87.5 | 98.9 | 13.0 |
| Present Situation | 74.5 | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 103.5 | 94.0 | 79.1 | 97.9 | 93.4 | 70.3 | 74.7 | 87.2 | 16.7 |
| Expectations | 96.3 | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.5 | 120.4 | 108.7 | 126.5 | 99.6 | 93.8 | 96.0 | 106.6 | 11.1 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 71.2 | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 81.7 | 69.7 | 75.3 | 77.9 | 78.5 | 80.9 | 69.2 | 79.1 | 14.3 |
| Present Situation | 19.6 | 26.2 | 28.3 | 26.1 | 26.5 | 27.7 | 26.5 | 33.0 | 20.1 | 22.6 | 34.6 | 30.8 | 30.8 | 18.8 | 32.1 | 70.2 |
| Expectations | 105.7 | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 114.3 | 102.8 | 110.4 | 106.8 | 110.3 | 114.3 | 102.7 | 110.4 | 7.5 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 74.8 | 84.2 | 102.8 | 101.4 | 71.1 | 85.7 | 84.5 | 82.4 | 94.6 | 87.5 | 94.4 | 85.4 | 82.0 | 81.6 | 87.3 | 7.0 |
| Present Situation | 49.6 | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.6 | 77.8 | 57.5 | 79.2 | 69.2 | 62.7 | 54.5 | 70.4 | 29.0 |
| Expectations | 91.6 | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 93.0 | 105.8 | 107.6 | 104.6 | 96.2 | 94.9 | 99.6 | 98.6 | – 1.0 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 114.7 | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 135.2 | 125.2 | 121.1 | 125.5 | 127.0 | 128.9 | 111.2 | 127.1 | 14.3 |
| Present Situation | 132.2 | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 157.3 | 150.7 | 135.2 | 149.1 | 153.9 | 163.6 | 126.1 | 155.5 | 23.3 |
| Expectations | 103.0 | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 120.4 | 108.3 | 111.7 | 109.7 | 109.1 | 105.7 | 101.2 | 108.2 | 6.9 |

*Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| Seasonally adjusted index numbers: 1985 = 100 | 1987 July | Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr. | May | June(r) | July(p) | 3 mos. Percent, Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 105.8 | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 120.2 | 115.7 | 113.0 | 1.6 |
| Present Situation | 106.2 | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 129.0 | 126.3 | 127.4 | 2.4 |
| Expectations | 105.6 | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 114.4 | 108.6 | 103.5 | 1.0 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 114.5 | 111.2 | 120.7 | 122.3 | 110.2 | 121.5 | 116.5 | 124.[illegible] | 118.6 | 120.4 | 123.1 | 121.5 | 120.9 | 0.6 |
| 35-54 | 108.0 | 115.7 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | 113.[illegible] | 117.1 | 119.5 | 121.8 | 118.7 | 116.9 | 2.1 |
| 55 and over | 93.8 | 102.7 | 102.5 | 107.2 | 86.7 | 95.6 | 99.1 | 104.6 | 98.7 | 104.4 | 113.8 | 104.7 | 101.1 | 3.9 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 111.4 | 116.9 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | 137.8 | 128.0 | 127.1 | 129.9 | 130.1 | 134.5 | 0.4 |
| 35-54 | 108.7 | 121.6 | 128.2 | 123.6 | 114.4 | 118.3 | 122.5 | 128.4 | 131.9 | 124.5 | 130.3 | 129.9 | 130.0 | 1.4 |
| 55 and over | 101.1 | 108.7 | 106.7 | 120.0 | 111.0 | 113.8 | 116.1 | 122.7 | 113.8 | 110.7 | 127.2 | 120.0 | 120.9 | 6.0 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 116.6 | 107.4 | 117.0 | 116.7 | 101.6 | 115.6 | 109.7 | 115.4 | 112.3 | 116.0 | 118.7 | 115.7 | 111.9 | 0.7 |
| 35-54 | 107.6 | 111.8 | 114.4 | 107.4 | 96.2 | 97.7 | 103.6 | 103.9 | 107.4 | 116.4 | 116.2 | 111.2 | 108.4 | 2.5 |
| 55 and over | 89.0 | 98.7 | 99.7 | 98.5 | 70.4 | 83.3 | 88.1 | 93.0 | 88.9 | 100.3 | 104.9 | 94.3 | 87.9 | 1.7 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 86.3 | 78.3 | 88.0 | 87.1 | 74.6 | 83.9 | 85.1 | 89.0 | 83.7 | 89.8 | 94.1 | 88.4 | 82.7 | 1.0 |
| $15,000-24,999 | 92.6 | 100.4 | 106.2 | 113.8 | 97.8 | 103.4 | 106.0 | 116.7 | 107.6 | 109.8 | 112.8 | 102.7 | 101.8 | - 5.0 |
| $25,000 and over | 123.4 | 130.3 | 131.8 | 128.6 | 114.7 | 120.6 | 122.7 | 126.8 | 127.5 | 129.7 | 135.4 | 132.0 | 130.7 | 3.7 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 79.3 | 74.9 | 77.4 | 82.5 | 74.9 | 77.6 | 74.7 | 80.[illegible] | 74.8 | 78.8 | 88.5 | 83.2 | 82.6 | 8.8 |
| $15,000-24,999 | 87.7 | 96.0 | 109.7 | 119.0 | 104.2 | 107.7 | 111.6 | 124.2 | 110.7 | 103.9 | 116.7 | 109.0 | 113.2 | 0.0 |
| $25,000 and over | 132.6 | 143.1 | 145.5 | 146.3 | 140.2 | 145.5 | 148.5 | 156.2 | 152.6 | 145.5 | 153.5 | 152.1 | 153.9 | 1.1 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 91.2 | 80.7 | 95.5 | 90.5 | 74.4 | 88.6 | 91.3 | 93.7 | 88.7 | 97.0 | 97.9 | 92.1 | 83.0 | - 2.3 |
| $15,000-24,999 | 96.0 | 103.6 | 103.9 | 110.4 | 93.5 | 100.6 | 102.1 | 111.3 | 105.2 | 113.7 | 110.3 | 98.6 | 94.3 | - 8.2 |
| $25,000 and over | 117.1 | 121.8 | 122.4 | 115.5 | 97.6 | 103.6 | 106.1 | 108.2 | 111.4 | 119.4 | 123.4 | 118.5 | 115.3 | 5.4 |

*Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.





**Consumer Research Center**
The Conference Board, 845 Third Ave., New York, N.Y. 10022

# Consumer Confidence Survey

RL1105-4 9/12/88

- Business
- Employment
- Income
- Inflation
- Interest Rates
- Stock Prices

**September 1988**

## CONSUMERS MORE CONFIDENT

The measure of consumer optimism, which had registered moderate losses in June and July, made up just about all of the ground in August. The Board's Confidence Index (1985 = 100) now stands at 119.2, a gain of almost six points for the month. As compared to the preceding two months, people are now more comfortable with ongoing business conditions and are also more positive in their expectations for the months ahead.

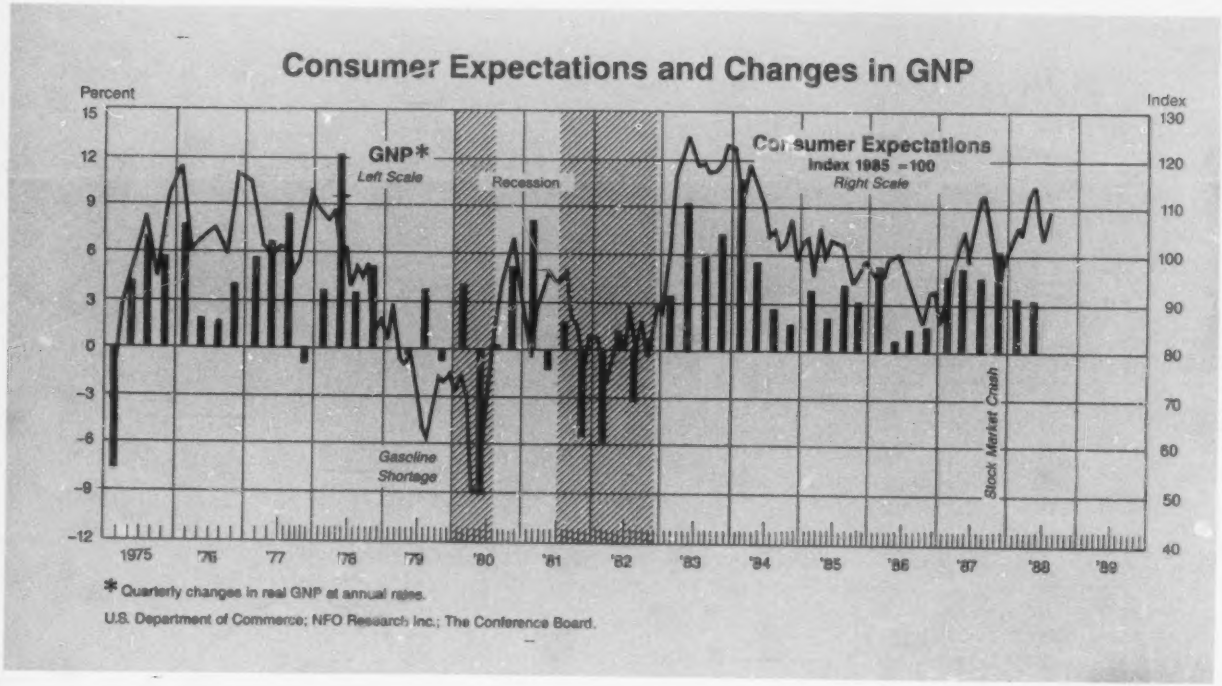
In assessing to ongoing conditions, a substantially larger number of people than last time now believe that business is "good"—32.4%, up from 28.4 percent. On the issue of job availability, consumers are also more positive than they were the month before.

In expectations of likely developments over the next six months, more people than previously now believe business conditions will be "better"—21.5%, up from 19.7 percent. There was also a rise in the number of those that believe more jobs will become available—19.5%, up from 17.7 percent. On the issue of their own financial circumstances, however, slightly fewer respondents than last time expect an improvement.

Buying plans are mixed. After many months of strong readings, the number of respondents that plan to buy a car has dropped to 7.2% from an earlier 8.9 percent. This puts car buying plans at their lowest level in almost a year. Interest in homes, which sagged in July, made up all of the loss in August. In the latest probe, 4.1% indicated that they would purchase a home within the next six months, a strong reading. Interest in acquiring a major appliance also perked up in August, with 33.6% of all respondents indicating such an intent, up from 30 percent.

The substantial increase in the Consumer Confidence Index in August was mostly due to a more hopeful mood in the agricultural regions. More favorable weather and the timely administration of the government's agricultural support programs, have evidently made for a better mood in the farm belt. The rest of the nation, too, was somewhat more optimistic in August than in July, apparently in response to the continuing vigor of the economy. Unemployment is low, earnings have been inching up, and inflation is still restrained. These are the ingredients that buoy the consumer's spirits.

Fabian Linden



## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**

Percentage of all households = 100%

| | Business | | | | | Employment | | | | | | Income |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | | | | | 1988 | | | | | | |
| *All series seasonally adjusted.* | *Aug.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May* | *June* | *July(r)* | *Aug.(p)* |
| **Composite Series: Index Numbers, 1985 = 100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 120.2 | 115.7 | 113.5 | 119.2 |
| **Present Situation** | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 129.0 | 126.3 | 128.2 | 134.0 |
| **Expectations** | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 114.4 | 108.6 | 103.7 | 109.3 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 28.5 | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 | 29.6 | 29.1 | 28.3 | 31.6 | 27.4 | 28.4 | 32.4 |
| Bad | 20.3 | 19.4 | 19.4 | 20.3 | 18.5 | 18.3 | 18.9 | 18.8 | 20.9 | 18.4 | 19.7 | 19.1 | 17.5 |
| Normal | 51.2 | 50.7 | 49.7 | 53.3 | 56.7 | 55.3 | 51.5 | 52.1 | 50.8 | 50.0 | 52.9 | 52.5 | 50.1 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 27.0 | 27.8 | 28.5 | 26.8 | 27.0 | 29.5 | 31.4 | 28.9 | 27.8 | 30.8 | 31.1 | 31.3 | 32.1 |
| Jobs not so plentiful | 45.3 | 46.1 | 47.4 | 47.0 | 49.4 | 44.8 | 45.9 | 47.0 | 48.1 | 45.4 | 46.1 | 46.2 | 45.6 |
| Jobs hard to get | 27.7 | 26.1 | 24.1 | 26.2 | 23.6 | 25.7 | 22.9 | 24.1 | 24.1 | 23.8 | 22.8 | 22.5 | 22.3 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 22.0 | 24.2 | 23.7 | 18.3 | 19.9 | 18.7 | 19.7 | 20.2 | 20.9 | 22.0 | 20.4 | 19.7 | 21.5 |
| Worse | 7.2 | 7.2 | 8.1 | 12.4 | 9.2 | 8.0 | 7.9 | 7.6 | 6.4 | 5.3 | 6.7 | 9.6 | 7.6 |
| Same | 70.8 | 68.6 | 68.2 | 69.3 | 70.9 | 73.3 | 72.4 | 72.2 | 72.7 | 72.7 | 72.9 | 70.7 | 70.9 |
| Employment | | | | | | | | | | | | | |
| More jobs | 20.* | 20.9 | 19.3 | 15.5 | 16.8 | 16.2 | 16.7 | 15.8 | 18.2 | 19.0 | 18.3 | 17.7 | 19.5 |
| Fewer jobs | 15.3 | 14.2 | 13.8 | 19.1 | 15.6 | 15.6 | 14.4 | 14.0 | 11.9 | 12.6 | 13.8 | 15.0 | 13.6 |
| Same | 64.6 | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 | 68.9 | 70.2 | 69.9 | 68.4 | 67.9 | 67.3 | 66.9 |
| Income | | | | | | | | | | | | | |
| Increase | 26.5 | 29.5 | 28.7 | 28.0 | 28.3 | 26.2 | 30.6 | 28.5 | 29.4 | 29.0 | 26.3 | 28.0 | 26.7 |
| Decrease | 7.5 | 5.8 | 7.3 | 9.1 | 8.4 | 6.3 | 6.5 | 6.7 | 6.0 | 6.0 | 6.4 | 6.2 | 6.4 |
| Same | 66.0 | 64.7 | 64.0 | 62.9 | 63.3 | 67.5 | 62.9 | 64.8 | 64.6 | 65.0 | 67.3 | 65.8 | 66.9 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.1 | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 | 9.6 | 9.4 | 9.1 | 9.4 | 8.9 | 8.9 | 7.2 |
| New | 3.6 | 3.8 | 4.2 | 4.3 | 4.5 | 3.7 | 4.7 | 5.3 | 5.5 | 4.9 | 5.0 | 4.6 | 4.2 |
| Used | 2.9 | 3.5 | 3.0 | 2.8 | 3.0 | 3.0 | 3.5 | 3.3 | 3.1 | 3.3 | 3.4 | 3.4 | 2.6 |
| Uncertain | 0.6 | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 | 1.4 | 0.8 | 0.5 | 1.2 | 0.5 | 0.9 | 0.4 |
| Home | | | | | | | | | | | | | |
| Yes | 4.1 | 3.9 | 3.9 | 3.7 | 3.5 | 3.8 | 5.0 | 4.7 | 3.5 | 3.3 | 4.0 | 3.5 | 4.1 |
| New | 1.4 | 1.2 | 1.1 | 1.0 | 0.8 | 1.3 | 1.6 | 1.7 | 1.1 | 1.1 | 0.9 | 1.1 | 1.2 |
| Lived in | 1.8 | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 | 2.1 | 2.1 | 1.7 | 1.3 | 2.1 | 1.5 | 2.0 |
| Uncertain | 0.9 | 0.9 | 1.1 | 0.7 | 1.0 | 0.8 | 1.3 | 0.9 | 0.7 | 0.9 | 1.0 | 0.9 | 0.9 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 30.5 | 32.5 | 32.0 | 31.1 | 28.2 | 29.4 | 36.0 | 34.0 | 35.0 | 35.8 | 30.3 | 30.1 | 33.6 |
| Refrigerator | 4.5 | 5.1 | 4.7 | 4.3 | 4.1 | 5.0 | 5.8 | 5.4 | 5.3 | 5.9 | 4.7 | 4.5 | 4.9 |
| Washing machine | 4.1 | 5.4 | 4.8 | 4.4 | 3.3 | 4.1 | 5.4 | 4.4 | 5.3 | 5.1 | 3.9 | 4.7 | 4.5 |
| TV Set | 7.2 | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 | 8.2 | 8.5 | 7.9 | 8.6 | 7.5 | 6.1 | 7.7 |
| Vacuum Cleaner | 5.0 | 5.6 | 5.3 | 5.6 | 5.5 | 4.6 | 5.9 | 5.9 | 5.6 | 6.0 | 4.9 | 5.2 | 5.8 |
| Range | 3.3 | 2.9 | 3.6 | 3.2 | 2.8 | 3.1 | 3.5 | 3.2 | 3.9 | 3.1 | 3.1 | 3.2 | 2.7 |
| Clothes dryer | 3.6 | 3.7 | 4.0 | 3.7 | 3.1 | 3.7 | 4.2 | 4.2 | 4.4 | 4.9 | 3.8 | 3.8 | 4.3 |
| Air conditioner | 2.8 | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 | 3.0 | 2.4 | 2.6 | 2.2 | 2.4 | 2.6 | 3.7 |
| Carpet | 6.0 | 8.3 | 6.7 | 6.8 | 7.7 | 8.3 | 8.3 | 9.5 | 6.2 | 8.7 | 7.6 | 7.1 | 6.7 |
| **Vacation Intended Within Six Months: Percent*** | | | | | | | | | | | | | |
| Vacation Intended | 51.9 | | 54.3 | | 50.9 | | 51.2 | | 49.7 | | 48.5 | | 51.6 |
| Destination † | | | | | | | | | | | | | |
| U.S. | 46.7 | | 48.6 | | 44.5 | | 44.3 | | 42.8 | | 41.7 | | 43.7 |
| Foreign country | 7.0 | | 7.8 | | 8.2 | | 8.9 | | 9.3 | | 9.3 | | 9.7 |
| Means of travel | | | | | | | | | | | | | |
| Automobile | 30.6 | | 32.9 | | 30.9 | | 29.8 | | 29.8 | | 27.9 | | 30.0 |
| Airplane | 21.2 | | 20.4 | | 18.9 | | 19.9 | | 19.1 | | 20.8 | | 20.6 |
| Other | 4.3 | | 4.6 | | 3.8 | | 5.0 | | 4.4 | | 4.5 | | 4.1 |

(p)—preliminary (r)—revised

* All vacation plans data have been revised based on updated seasonal factors. Historical data are available on request.

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

**Data in this publication are available for downloading to your PC. For information, phone (212) 759-0900 Ext. 216.**

| Not seasonally adjusted | 1987 Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr. | May | June | July(r) | Aug.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Expectations for Twelve Months Hence: Percent | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | 4.4 | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 | 4.3 | 4.4 | 4.4 | 4.4 | 5.0 | 4.9 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | 63.9 | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.9 | 58.9 | 58.0 | 66.5 | 71.5 | 67.3 | 73.8 |
| Same | 24.0 | 18.4 | 17.2 | 22.8 | 24.1 | 24.9 | 25.7 | 27.6 | 27.6 | 23.6 | 20.0 | 22.1 | 16.3 |
| Lower | 12.1 | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.4 | 13.5 | 14.4 | 9.9 | 8.5 | 10.6 | 9.9 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | 45.5 | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.6 | 46.9 | 38.7 | 39.3 | 39.8 | 40.3 | 39.4 |
| Same | 33.0 | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.6 | 34.6 | 33.6 | 34.3 | 35.8 | 34.8 | 33.1 |
| Decrease | 21.5 | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 29.8 | 18.4 | 27.7 | 26.4 | 24.4 | 24.9 | 27.5 |

## CONSUMER CONFIDENCE BY REGION

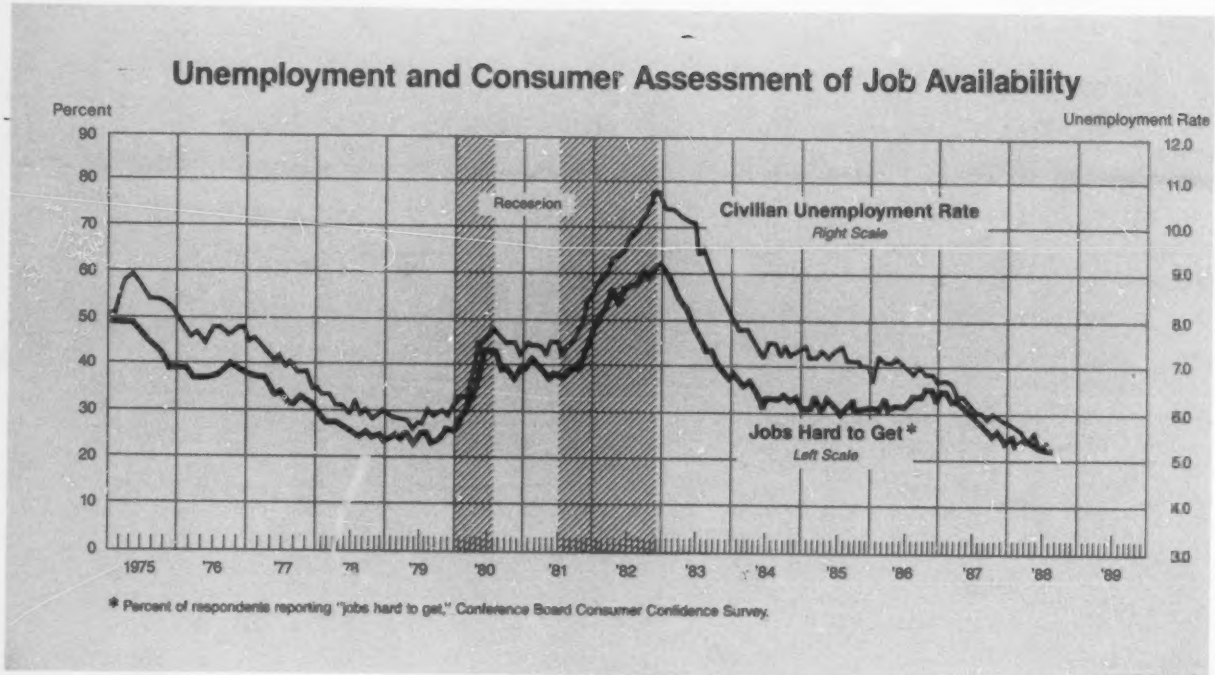
| Seasonally unadjusted Index numbers:1985=100 | 1987 Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr. | May | June | July(r) | Aug.(p) | AVERAGE: June,July,Aug. 1987 | 1988 | Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 152.7 | 156.5 | 160.0 | 141.7 | 148.2 | 153.6 | 155.0 | 152.4 | 159.2 | 153.9 | 149.8 | 153.9 | 148.4 | 155.0 | 150.7 | - 2.8 |
| Present Situation | 207.1 | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 202.4 | 200.0 | 203.7 | 203.0 | 207.0 | 199.5 | 206.5 | 205.1 | 204.3 | - 0.4 |
| Expectations | 116.5 | 124.6 | 127.6 | 102.3 | 110.6 | 123.2 | 123.4 | 120.6 | 129.6 | 121.2 | 111.7 | 123.6 | 109.7 | 121.6 | 115.0 | - 5.5 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 107.0 | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 114.8 | 122.0 | 123.6 | 125.5 | 121.8 | 120.8 | 127.3 | 108.4 | 123.3 | 13.8 |
| Present Situation | 121.5 | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 136.2 | 143.9 | 142.9 | 142.9 | 152.6 | 145.8 | 156.7 | 125.1 | 151.7 | 21.2 |
| Expectations | 97.3 | 103.3 | 105.2 | 84.3 | 89.8 | 95.9 | 100.5 | 107.4 | 110.7 | 108.1 | 101.3 | 104.1 | 107.7 | 97.2 | 104.4 | 7.4 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Inde | 91.6 | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.0 | 95.3 | 104.0 | 108.7 | 102.3 | 95.5 | 103.0 | 87.4 | 100.3 | 14.7 |
| Present Situation | 102.3 | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 99.2 | 91.3 | 102.8 | 107.7 | 111.0 | 116.5 | 123.7 | 95.8 | 117.1 | 22.2 |
| Expectations | 84.5 | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.6 | 97.9 | 104.7 | 109.4 | 96.6 | 81.5 | 89.2 | 81.8 | 89.1 | 8.9 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 75.8 | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 98.2 | 87.6 | 99.1 | 88.4 | 91.4 | 76.0 | 74.8 | 74.7 | 80.7 | 8.0 |
| Present Situation | 59.1 | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.8 | 69.4 | 82.9 | 93.8 | 97.6 | 91.3 | 79.4 | 62.4 | 89.4 | 43.2 |
| Expectations | 86.9 | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 107.2 | 99.7 | 109.9 | 84.9 | 87.3 | 65.9 | 71.7 | 82.9 | 75.0 | - 9.6 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 136.7 | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 137.7 | 136.7 | 138.7 | 142.2 | 138.2 | 138.6 | 140.8 | 132.3 | 139.2 | 5.2 |
| Present Situation | 162.1 | 168.8 | 176.1 | 168.6 | 164.8 | 161.7 | 163.2 | 165.3 | 161.9 | 168.9 | 163.8 | 168.6 | 173.5 | 155.5 | 168.6 | 8.5 |
| Expectations | 119.8 | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 120.7 | 117.6 | 123.3 | 124.5 | 121.2 | 118.6 | 119.0 | 116.8 | 119.6 | 2.4 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 93.7 | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 114.9 | 109.8 | 96.8 | 115.0 | 97.1 | 84.4 | 105.8 | 89.8 | 95.8 | 6.7 |
| Present Situation | 71.6 | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 103.5 | 94.0 | 79.1 | 97.9 | 93.4 | 74.6 | 99.1 | 74.7 | 89.0 | 19.2 |
| Expectations | 108.4 | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.5 | 120.4 | 108.7 | 126.5 | 99.6 | 91.0 | 110.2 | 99.8 | 100.3 | 0.5 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 77.3 | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 81.7 | 69.7 | 75.3 | 77.9 | 78.5 | 80.5 | 80.0 | 73.0 | 79.7 | 9.1 |
| Present Situation | 26.2 | 28.3 | 26.1 | 28.5 | 27.7 | 26.5 | 33.0 | 20.1 | 22.6 | 34.6 | 30.8 | 30.1 | 30.3 | 23.1 | 30.4 | 31.6 |
| Expectations | 111.4 | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 114.3 | 102.8 | 110.4 | 106.8 | 110.3 | 114.1 | 113.1 | 106.3 | 112.5 | 5.8 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 84.2 | 102.8 | 101.4 | 76.4 | 85.7 | 84.5 | 82.4 | 94.6 | 87.5 | 94.4 | 85.4 | 80.3 | 91.0 | 80.9 | 85.6 | 5.7 |
| Present Situation | 60.0 | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.6 | 77.8 | 57.5 | 79.2 | 89.2 | 61.9 | 71.2 | 56.0 | 67.4 | 20.4 |
| Expectations | 100.3 | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 93.0 | 105.8 | 107.6 | 104.6 | 96.2 | 92.7 | 104.1 | 97.5 | 97.7 | 0.1 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 124.0 | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 135.2 | 125.2 | 121.1 | 125.5 | 127.0 | 126.7 | 131.6 | 117.0 | 128.4 | 9.8 |
| Present Situation | 147.1 | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 157.3 | 150.7 | 135.2 | 149.1 | 153.9 | 161.5 | 161.1 | 137.5 | 158.8 | 15.5 |
| Expectations | 108.6 | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 120.4 | 108.3 | 111.7 | 109.7 | 109.1 | 103.5 | 111.9 | 103.3 | 108.2 | 4.7 |

*Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| Seasonally adjusted index numbers: 1985 = 100 | 1987 Aug. | Sep. | Oct. | Nov. | Dec. | 1988 Jan. | Feb. | Mar. | Apr. | May | June | July(r) | Aug.(p) | 3 mos. Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 110.7 | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 120.2 | 115.7 | 113.5 | 119.2 | - 0.1 |
| Present Situation | 115.6 | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 129.0 | 126.3 | 128.2 | 124.0 | 4.0 |
| Expectations | 107.5 | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 114.4 | 108.6 | 103.7 | 109.3 | - 3.2 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 111.2 | 120.7 | 122.3 | 110.2 | 121.5 | 116.5 | 124.4 | 118.6 | 120.4 | 123.1 | 121.5 | 121.2 | 126.8 | 2.0 |
| 35-54 | 115.7 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | 113.6 | 117.1 | 119.5 | 121.8 | 118.7 | 116.4 | 119.6 | - 1.0 |
| 55 and over | 102.7 | 102.5 | 107.2 | 86.7 | 95.6 | 99.1 | 104.6 | 98.7 | 104.4 | 113.8 | 104.7 | 102.2 | 111.0 | 0.3 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 116.9 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | 137.8 | 128.0 | 127.1 | 129.9 | 130.1 | 134.5 | 145.6 | 6.5 |
| 35-54 | 121.6 | 128.2 | 123.6 | 114.4 | 118.3 | 122.5 | 128.4 | 131.9 | 124.5 | 130.3 | 129.9 | 130.5 | 133.2 | 1.8 |
| 55 and over | 108.7 | 106.7 | 120.0 | 111.0 | 113.8 | 116.1 | 122.7 | 113.8 | 110.7 | 127.2 | 120.0 | 122.0 | 128.2 | 5.3 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 107.4 | 117.0 | 116.7 | 101.6 | 115.6 | 109.7 | 115.4 | 112.3 | 116.0 | 118.7 | 115.7 | 112.4 | 114.2 | - 1.4 |
| 35-54 | 111.8 | 114.4 | 107.4 | 96.2 | 97.7 | 103.6 | 103.9 | 107.4 | 116.4 | 116.2 | 111.2 | 107.0 | 110.5 | - 3.4 |
| 55 and over | 98.7 | 99.7 | 98.5 | 70.4 | 83.3 | 88.1 | 93.0 | 88.9 | 100.3 | 104.9 | 94.3 | 88.9 | 99.3 | - 3.9 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 78.3 | 88.0 | 87.1 | 74.6 | 83.9 | 85.1 | 89.0 | 83.7 | 89.8 | 94.1 | 88.4 | 82.1 | 88.8 | - 3.1 |
| $15,000-24,999 | 100.4 | 106.2 | 113.8 | 97.8 | 103.4 | 106.0 | 116.7 | 107.6 | 109.8 | 112.8 | 102.7 | 104.8 | 117.0 | - 1.7 |
| $25,000 and over | 130.3 | 131.8 | 128.6 | 114.7 | 120.6 | 122.7 | 126.8 | 127.5 | 129.7 | 135.4 | 132.( | 130.9 | 133.8 | 1.1 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 74.9 | 77.4 | 82.5 | 74.9 | 77.6 | 74.7 | 80.1 | 74.8 | 78.6 | 88.5 | 83.2 | 83.3 | 84.4 | 3.6 |
| $15,000-24,999 | 96.0 | 109.7 | 119.0 | 104.2 | 107.7 | 111.6 | 124.2 | 110.7 | 103.9 | 116.7 | 109.0 | 114.7 | 122.2 | 4.4 |
| $25,000 and over | 143.1 | 145.5 | 146.3 | 140.2 | 145.5 | 148.5 | 156.2 | 152.6 | 145.5 | 153.5 | 152.1 | 154.2 | 160.9 | 3.4 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 80.7 | 95.5 | 90.5 | 74.4 | 88.( | 91.3 | 93.7 | 88.7 | 97.0 | 97.9 | 92.1 | 81.5 | 91.9 | - 6.4 |
| $15,000-24,999 | 103.6 | 103.9 | 110.4 | 93.5 | 100.6 | 102.1 | 111.3 | 105.2 | 113.7 | 110.3 | 98.6 | 98.3 | 113.5 | - 5.7 |
| $25,000 and over | 121.8 | 122.4 | 116.5 | 97.6 | 103.6 | 106.1 | 108.2 | 111.4 | 119.4 | 123.4 | 118.5 | 115.3 | 115.5 | - 1.4 |

*Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.





**Consumer Research Center**
The Conference Board, 845 Third Ave., New York, N.Y. 10022

R 4105-4

# Special Consumer Survey Report

**A Topical Report from the Consumer Research Center, The Conference Board.**

**August, 1988**

## THE ISSUES OF PUBLIC CONCERN

AIDS, Drug Abuse, and the Cost of Medical Care, are considered by a majority of people to be the nation's most pressing ~~social~~ and economic problems. Also high on the list of concerns are the Federal Budget Deficit, the Plight of the Farmers, and Crime. Problems considered to be the least serious are Threat of Nuclear War, Smoking, Pornography, and White Collar Crime.

These are the principal findings of a recent Conference Board study. A survey covering a representative sample of 5,000 households was conducted for the Board by National Family Opinion, Inc. Survey participants were requested to assess the degree of seriousness with which they regarded a list of 18 economic and social issues. For each issue there were five response options ranging from "most serious" to "least serious."

An identical survey was conducted a year and a half ago and there have been some fairly large changes of opinion on a number of the issues. AIDS moved up from ninth place on the list of problems to the top in the most recent study. Drug Abuse, and the Cost of Medical Care were regarded with about the same degree of seriousness in both surveys. The Plight of the Farmers, which ranked roughly in the middle of the list of issues in the earlier probe, has now moved up to fifth place, evidently because of the drought. Unemployment, which ranked high a year and a half ago, is now regarded with considerably less concern, reflecting the marked improvement in the jobless rate. The degrees of concern with Poverty, and the Homeless remained near the middle of the list. The Threat of Nuclear War is still at the very bottom of the list.

### THE DEGREES OF PUBLIC CONCERN

*Here are a number of economic and social issues which are causing many people concern. How would you rate the seriousness of each one of these issues as compared to the others?*

| | Survey Conducted July 1988 | | | | | Degree of Concern* | |
|---|---|---|---|---|---|---|---|
| | Most Serious | | | | Least Serious | July '88 | Jan. '87 |
| AIDS | 61.7% | 21.0% | 11.3% | 3.8% | 2.2% | 84.1 | 75.3 |
| Drug Abuse | 57.4 | 27.3 | 10.9 | 3.1 | 1.3 | 84.1 | 83.2 |
| Cost of Medical Care | 51.6 | 31.1 | 14.4 | 2.4 | 0.5 | 82.7 | 81.8 |
| Federal Budget Deficit | 46.6 | 31.2 | 17.8 | 3.6 | 0.8 | 79.8 | 80.2 |
| Plight of Farmers | 45.7 | 30.4 | 17.2 | 5.1 | 1.6 | 78.4 | 75.8 |
| Crime | 39.3 | 35.9 | 20.9 | 3.1 | 0.8 | 77.5 | 77.9 |
| Poverty | 37.9 | 29.1 | 23.1 | 7.7 | 2.2 | 73.2 | 74.4 |
| The Homeless | 38.6 | 28.7 | 21.8 | 7.9 | 3.0 | 73.0 | 73.7 |
| Alcoholism | 35.7 | 30.7 | 22.7 | 7.6 | 3.3 | 72.0 | 76.2 |
| Foreign Trade Deficit | 28.9 | 38.8 | 24.8 | 6.2 | 1.3 | 72.0 | 73.8 |
| Pollution | 31.7 | 33.6 | 25.0 | 7.5 | 2.2 | 71.3 | 66.7 |
| Loss of Jobs in Mfg. | 31.5 | 33.2 | 24.9 | 8.9 | 1.5 | 71.1 | 77.0 |
| Unemployment | 33.9 | 29.9 | 25.0 | 8.7 | 2.5 | 71.0 | 78.9 |
| Cost of Housing | 26.7 | 32.8 | 29.5 | 8.6 | 2.4 | 68.2 | 65.7 |
| White Collar Crime | 19.5 | 32.5 | 32.2 | 11.5 | 4.3 | 62.9 | 64.5 |
| Pornography | 29.9 | 22.7 | 22.9 | 13.1 | 11.4 | 61.7 | 60.2 |
| Smoking | 22.5 | 22.9 | 27.0 | 14.6 | 13.0 | 56.8 | 61.3 |
| Threat of Nuclear War | 15.9 | 19.7 | 27.6 | 23.1 | 13.7 | 50.3 | 56.9 |

*The 'Degree of Concern' is computed by giving 'Most Serious' (first column) a weight of 1.00, the second column a weight of 0.75, the third of 0.50, the fourth a weight of 0.25, and the fifth column (Least Serious) a weight of 0. These products, added together, denote the 'Degree of Concern.' This measure can range from 0 to 100.

The figures shown are based on two identical surveys, the most recent conducted in July 1988, the other in January 1987.

Survey conducted for The Conference Board by NFO Research, Inc.

There are some differences in responses by age. Older people consider almost all of the issues as more serious than do younger people. However, young and old have many similar priorities. Both indicate high levels of concern with AIDS, Drug Abuse, and Cost of Medical Care. Older people, as compared with the young, give a higher priority to the Federal Budget Deficit. They also express more than average concern with Pornography, White Collar Crime, and Alcoholism.

Opinion as to what constitutes the most pressing issues for the nation differs by income, but by less than what might be expected. Drugs, AIDS, the Cost of Medical Care, are high on the list of concerns of both the well-off and the not-so-well-off. However, the affluent give a higher priority to the Federal Budget Deficit, while Unemployment is of greater concern to those with less earnings. In general, the upper brackets consider almost all of the issues with a somewhat lower degree of concern than those with modest incomes.

There were also some differences in opinion by geographical region. Pollution is considered to be a more serious issue in New England and the Middle Atlantic states than in the rest of the nation. Unemployment is of above-average concern in the East South Central and West South Central states, as well as in the Mountain region. However, in New England most particularly, but also in the South Atlantic and Pacific regions, the jobless problem was considered less pressing than in most other areas. The Cost of Housing is regarded to be more serious by those in the New England, Middle Atlantic and Pacific regions than elsewhere. New Englanders expressed the highest level of concern about the Homeless.

Fabian Linden

## THE ASSESSMENT OF THE ISSUES BY REGION

| | *Total U.S.* | *New England* | *Mid Atlantic* | *E.N. Central* | *W.N. Central* | *South Atlantic* | *E.S. Central* | *W.S. Central* | *Mountain* | *Pacific* |
|---|---|---|---|---|---|---|---|---|---|---|
| | Degree of Concern* | | | | | | | | | |
| AIDS | 84.1 | 85.4 | 87.7 | 84.3 | 83.9 | 83.1 | 84.3 | 81.7 | 81.6 | 83.2 |
| Drug Abuse | 84.1 | 84.4 | 85.5 | 82.2 | 84.6 | 85.8 | 87.1 | 84.1 | 79.9 | 83.1 |
| Cost of Medical Care | 82.7 | 83.9 | 83.9 | 82.5 | 78.6 | 83.5 | 86.0 | 81.0 | 79.5 | 83.6 |
| Federal Budget Deficit | 79.8 | 80.6 | 78.1 | 79.5 | 82.2 | 81.0 | 78.8 | 80.2 | 82.0 | 78.2 |
| Plight of Farmers | 78.4 | 80.3 | 79.5 | 83.2 | 74.6 | 76.9 | 82.8 | 76.2 | 77.2 | 74.9 |
| Crime | 77.5 | 74.1 | 76.6 | 76.2 | 74.9 | 79.0 | 78.4 | 80.5 | 74.0 | 79.4 |
| Poverty | 73.2 | 74.8 | 75.3 | 75.1 | 71.6 | 71.0 | 75.0 | 72.2 | 72.9 | 71.8 |
| The Homeless | 73.0 | 77.0 | 75.4 | 73.4 | 70.4 | 72.2 | 73.0 | 70.8 | 70.2 | 73.5 |
| Alcoholism | 72.0 | 71.0 | 71.6 | 71.5 | 71.8 | 73.4 | 78.7 | 72.6 | 69.5 | 70.0 |
| Foreign Trade Deficit | 72.0 | 71.2 | 72.0 | 72.1 | 73.8 | 72.6 | 71.7 | 72.0 | 72.6 | 70.4 |
| Pollution | 71.2 | 77.6 | 75.3 | 70.6 | 65.9 | 72.8 | 67.4 | 65.7 | 68.6 | 72.9 |
| Loss of Jobs in Mfg. | 71.1 | 66.1 | 72.9 | 73.5 | 71.7 | 68.9 | 77.1 | 73.4 | 70.9 | 66.3 |
| Unemployment | 71.0 | 54.5 | 70.0 | 73.7 | 71.3 | 67.3 | 79.0 | 79.9 | 76.2 | 67.5 |
| Cost of Housing | 68.2 | 75.7 | 72.5 | 65.8 | 61.8 | 70.1 | 58.6 | 62.3 | 63.1 | 70.7 |
| White Collar Crime | 62.8 | 62.5 | 60.4 | 61.4 | 62.7 | 64.8 | 66.5 | 65.6 | 62.9 | 61.7 |
| Pornography | 61.6 | 58.9 | 60.9 | 60.3 | 64.0 | 63.4 | 70.5 | 64.5 | 60.6 | 57.2 |
| Smoking | 56.9 | 55.8 | 58.9 | 56.3 | 56.1 | 58.5 | 64.0 | 57.0 | 52.9 | 53.4 |
| Threat of Nuclear War | 50.3 | 53.3 | 53.1 | 50.6 | 50.4 | 51.3 | 49.6 | 46.2 | 50.2 | 48.0 |

*For definition, see first table.

R4105-4
10/25/88

# Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

**October 1988**

## CONSUMERS LESS OPTIMISTIC

The nation's consumers were a good deal less sanguine in September than in August. The Conference Board's Confidence Index (1985 = 100) dropped to 109, a loss of almost 11 points—the largest monthly decline since last October's financial crisis. In the latest survey, respondents were less positive, both in their assessment of prevailing conditions and in their expectations for the immediate future. Buying plans were off moderately.

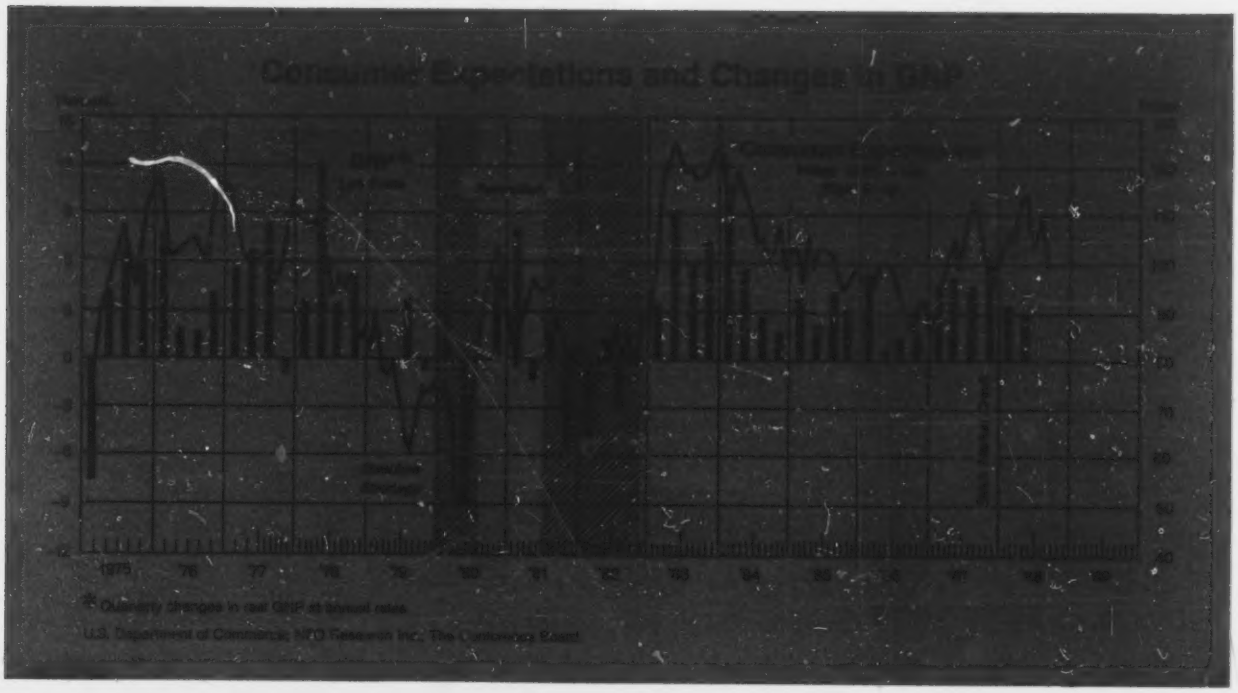
In viewing the current scene, only 28% of all consumers consider business conditions to be "good," down from 32% a month earlier. Similarly, the number reporting jobs to be "plentiful" fell to 29% from slightly over 32 percent.

In looking ahead to the next six months, consumers are also less optimistic than last time. Now, only slightly more than 18% believe that business conditions will improve, a loss of three points. People are also somewhat less secure about employment prospects. Less than 17% now believe more jobs will become available, a drop of more than two points. Similarly, on the issue of their personal income, fewer consumers than last time believe that their earnings will increase in the coming months.

Buying plans are somewhat weaker. Of all survey respondents, 7.4% intend to purchase a car in the next six months, about the same as last time. However, home buying plans dropped to a feeble 3% from a strong 4.2 percent. Interest in major appliances was also off in September. Plans to buy dropped to 29%, from a prior 34 percent.

It is still too soon to tell what may have shaken consumer confidence in September. While a single month's reading is inconclusive, the decline is too large to be dismissed as a technical aberration. Lower readings were picked up in almost all major regions of the country. The economic statistics for August suggested some slight easing in business activity—unemployment edged up, personal income rose only half as fast as prices. There may have been some further softening in September. At this moment, it is uncertain whether the recent slowing in economic growth and the decline in confidence represent a brief pause or are indications of a larger downturn. However, the present confidence reading is still substantially above the level which generally signals recession.

Fabian Linden




A Monthly Report from the ***Consumer Research Center***, The Conference Board

## Confidence and Buying Plans

**Based on surveys conducted by NFO Research, Inc.**

Percentage of all households =100%

| | | | | | Business | | | | Employment | | | Income |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | | | | 1988 | | | | | | | |
| *All series seasonally adjusted.* | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May* | *June* | *July* | *Aug.(r)* | *Sep.(p)* |
| **Composite Series: Index Numbers, 1985=100** | | | | | | | | | | | | | |
| **Consumer Confidence Index** | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 120.2 | 115.7 | 113.5 | 119.7 | 109.0 |
| **Present Situation** | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 129.0 | 126.3 | 128.2 | 135.1 | 123.6 |
| **Expectations** | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 114.4 | 108.6 | 103.7 | 109.4 | 99.3 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 29.9 | 30.9 | 26.4 | 24.8 | 26.4 | 29.6 | 29.1 | 28.3 | 31.6 | 27.4 | 28.4 | 32.2 | 27.9 |
| Bad | 19.4 | 19.4 | 20.3 | 18.5 | 18.3 | 18.9 | 18.8 | 20.9 | 18.4 | 19.7 | 19.1 | 17.2 | 19.7 |
| Normal | 50.7 | 49.7 | 53.3 | 56.7 | 55.3 | 51.5 | 52.1 | 50.8 | 50.0 | 52.9 | 52.5 | 50.6 | 52.4 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 27.8 | 28.5 | 26.8 | 27.0 | 29.5 | 31.4 | 28.9 | 27.8 | 30.8 | 31.1 | 31.3 | 32.3 | 29.1 |
| Jobs not so plentiful | 46.1 | 47.4 | 47.0 | 49.4 | 44.8 | 45.9 | 47.0 | 48.1 | 45.4 | 46.1 | 46.2 | 46.0 | 47.3 |
| Jobs hard to get | 26.1 | 24.1 | 26.2 | 23.6 | 25.7 | 22.9 | 24.1 | 24.1 | 23.8 | 22.8 | 22.5 | 21.7 | 23.6 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 24.2 | 23.7 | 18.3 | 19.9 | 18.7 | 19.7 | 20.2 | 20.9 | 22.0 | 20.4 | 19.7 | 21.4 | 18.4 |
| Worse | 7.2 | 8.1 | 12.4 | 9.2 | 8.0 | 7.9 | 7.6 | 6.4 | 5.3 | 6.7 | 9.6 | 7.3 | 9.8 |
| Same | 68.6 | 68.2 | 69.3 | 70.9 | 73.3 | 72.4 | 72.2 | 72.7 | 72.7 | 72.9 | 70.7 | 71.3 | 71.8 |
| Employment | | | | | | | | | | | | | |
| More jobs | 20.9 | 19.3 | 15.5 | 16.8 | 16.2 | 16.7 | 15.8 | 18.2 | 19.0 | 18.3 | 17.7 | 19.0 | 16.8 |
| Fewer jobs | 14.2 | 13.8 | 19.1 | 16.6 | 15.6 | 14.4 | 14.0 | 11.9 | 12.6 | 13.8 | 15.0 | 13.6 | 15.5 |
| Same | 64.9 | 66.9 | 65.4 | 66.6 | 68.2 | 68.9 | 70.2 | 69.9 | 68.4 | 67.9 | 67.3 | 67.4 | 67.7 |
| Income | | | | | | | | | | | | | |
| Increase | 29.5 | 28.7 | 28.0 | 28.3 | 26.2 | 30.6 | 28.5 | 29.4 | 29.0 | 26.3 | 28.0 | 27.4 | 23.4 |
| Decrease | 5.8 | 7.3 | 9.1 | 8.4 | 6.3 | 6.5 | 6.7 | 6.0 | 6.0 | 6.4 | 6.2 | 6.3 | 6.9 |
| Same | 64.7 | 64.0 | 62.9 | 63.3 | 67.5 | 62.9 | 64.8 | 64.6 | 65.0 | 67.3 | 65.8 | 66.3 | 69.7 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 8.8 | 8.5 | 8.2 | 8.2 | 7.5 | 9.6 | 9.4 | 9.1 | 9.4 | 8.9 | 8.9 | 7.5 | 7.4 |
| New | 3.8 | 4.2 | 4.3 | 4.5 | 3.7 | 4.7 | 5.3 | 5.5 | 4.9 | 5.0 | 4.6 | 4.2 | 4.0 |
| Used | 3.5 | 3.0 | 2.8 | 3.0 | 3.0 | 3.5 | 3.3 | 3.1 | 3.3 | 3.4 | 3.4 | 2.8 | 2.5 |
| Uncertain | 1.5 | 1.3 | 1.2 | 0.7 | 0.8 | 1.4 | 0.8 | 0.5 | 1.2 | 0.5 | 0.9 | 0.5 | 0.9 |
| Home | | | | | | | | | | | | | |
| Yes | 3.9 | 3.9 | 3.7 | 3.5 | 3.8 | 5.0 | 4.7 | 3.5 | 3.3 | 4.0 | 3.5 | 4.2 | 3.0 |
| New | 1.2 | 1.1 | 1.0 | 0.8 | 1.3 | 1.6 | 1.7 | 1.1 | 1.1 | 0.9 | 1.1 | 1.3 | 1.1 |
| Lived in | 1.8 | 1.7 | 2.0 | 1.7 | 1.7 | 2.1 | 2.1 | 1.7 | 1.3 | 2.1 | 1.5 | 2.0 | 1.3 |
| Uncertain | 0.9 | 1.1 | 0.7 | 1.0 | 0.8 | 1.3 | 0.9 | 0.7 | 0.9 | 1.0 | 0.9 | 0.9 | 0.6 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 32.5 | 32.0 | 31.1 | 28.2 | 29.4 | 36.0 | 34.0 | 35.0 | 35.8 | 30.3 | 30.1 | 34.3 | 28.9 |
| Refrigerator | 5.1 | 4.7 | 4.3 | 4.1 | 5.0 | 5.8 | 5.4 | 5.3 | 5.9 | 4.7 | 4.5 | 5.0 | 4.3 |
| Washing machine | 5.4 | 4.8 | 4.4 | 3.3 | 4.1 | 5.4 | 4.4 | 5.3 | 5.1 | 3.9 | 4.7 | 4.5 | 3.6 |
| TV Set | 7.5 | 7.5 | 7.9 | 7.5 | 6.7 | 8.2 | 8.5 | 7.9 | 8.6 | 7.5 | 6.1 | 8.0 | 7.1 |
| Vacuum Cleaner | 5.6 | 5.3 | 5.6 | 5.5 | 4.6 | 5.9 | 5.9 | 5.6 | 6.0 | 4.9 | 5.2 | 6.1 | 5.6 |
| Range | 2.9 | 3.6 | 3.2 | 2.8 | 3.1 | 3.5 | 3.2 | 3.9 | 3.1 | 3.1 | 3.2 | 2.7 | 2.7 |
| Clothes dryer | 3.7 | 4.0 | 3.7 | 3.1 | 3.7 | 4.2 | 4.2 | 4.4 | 4.9 | 3.8 | 3.8 | 4.3 | 3.2 |
| Air conditioner | 2.3 | 2.1 | 2.0 | 1.9 | 2.2 | 3.0 | 2.4 | 2.6 | 2.2 | 2.4 | 2.6 | 3.7 | 2.4 |
| Carpet | 8.3 | 6.7 | 6.8 | 7.7 | 8.3 | 8.3 | 9.5 | 6.2 | 8.7 | 7.6 | 7.1 | 7.7 | 8.1 |
| **Vacation Intended Within Six Months: Percent*** | | | | | | | | | | | | | |
| Vacation Intended | | 54.3 | | 50.9 | | 51.2 | | 49.7 | | 48.5 | | 51.6 | |
| Destination † | | | | | | | | | | | | | |
| U.S. | | 48.6 | | 44.5 | | 44.3 | | 42.8 | | 41.7 | | 43.5 | |
| Foreign country | | 7.8 | | 8.2 | | 8.9 | | 9.3 | | 9.3 | | 10.1 | |
| Means of travel | | | | | | | | | | | | | |
| Automobile | | 32.9 | | 30.9 | | 29.8 | | 29.8 | | 27.9 | | 29.6 | |
| Airplane | | 20.4 | | 18.9 | | 19.9 | | 19.1 | | 20.8 | | 21.0 | |
| Other | | 4.6 | | 3.8 | | 5.0 | | 4.4 | | 4.5 | | 4.0 | |

(p)—preliminary (r)—revised

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

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**Inflation** **Interest Rates** **Stock Prices**

| *Not seasonally adjusted* | *1987* Sep. | Oct. | Nov. | Dec. | *1988* Jan. | Feb. | Mar. | Apr. | May | June | July | Aug.(r) | Sep.(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expectations for Twelve Months Hence: Percent** | | | | | | | | | | | | | |
| Inflation Rate | | | | | | | | | | | | | |
| Average | 4.3 | 4.4 | 4.5 | 4.5 | 4.3 | 4.3 | 4.3 | 4.4 | 4.4 | 4.4 | 5.0 | 4.9 | 4.8 |
| Interest Rates | | | | | | | | | | | | | |
| Higher | 73.9 | 75.0 | 55.2 | 58.5 | 58.9 | 49.9 | 58.9 | 58.0 | 66.5 | 71.5 | 74.9 | 74.9 | 74.9 |
| Same | 18.4 | 17.2 | 22.8 | 24.1 | 24.9 | 25.7 | 27.6 | 27.6 | 23.6 | 20.0 | 22.1 | 16.2 | 17.1 |
| Lower | 7.7 | 7.8 | 22.0 | 17.4 | 16.2 | 24.4 | 13.5 | 14.4 | 9.9 | 8.5 | 10.6 | 8.9 | 8.0 |
| Stock Prices | | | | | | | | | | | | | |
| Increase | 41.4 | 39.9 | 34.1 | 31.1 | 36.0 | 36.6 | 46.9 | 38.7 | 39.3 | 39.8 | 40.3 | 39.2 | 38.6 |
| Same | 31.4 | 31.0 | 27.0 | 28.6 | 31.0 | 33.6 | 34.6 | 33.6 | 34.3 | 35.8 | 34.8 | 33.0 | 34.2 |
| Decrease | 27.2 | 29.1 | 38.9 | 38.3 | 33.0 | 29.8 | 18.4 | 27.7 | 26.4 | 24.4 | 24.9 | 27.8 | 27.2 |

## CONSUMER CONFIDENCE BY REGION

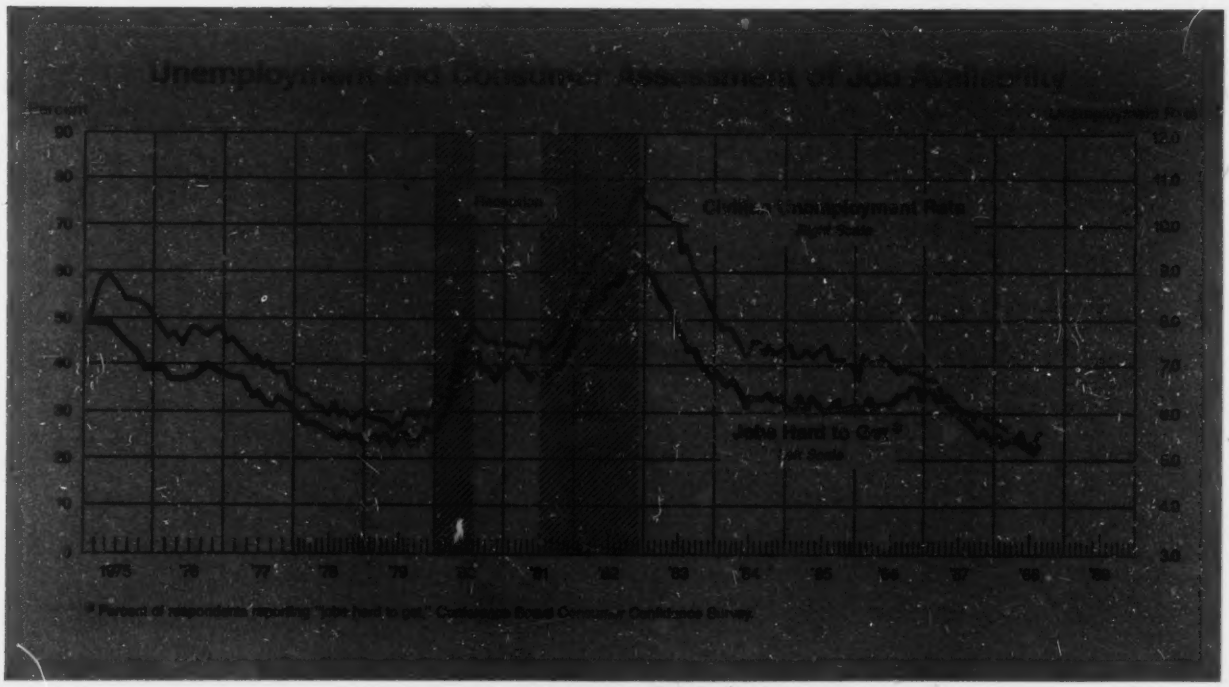
| *Seasonally unadjusted Index numbers: 1985 = 100* | *1987* Sep. | Oct. | Nov. | Dec. | *1988* Jan. | Feb. | Mar. | Apr. | May | June | July | Aug.(r) | Sep.(p) | *AVERAGE: July, Aug. Sep.* 1987 | 1988 | *Percent Change** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 158.5 | 160.0 | 141.7 | 148.2 | 153.6 | 155.0 | 152.4 | 159.2 | 153.9 | 149.8 | 153.9 | 150.0 | 136.3 | 155.9 | 146.4 | - 6.1 |
| Present Situation | 209.4 | 208.7 | 200.7 | 204.7 | 199.2 | 202.4 | 200.0 | 203.7 | 203.0 | 207.0 | 199.5 | 205.4 | 203.2 | 207.8 | 202.7 | - 2.4 |
| Expectations | 124.6 | 127.6 | 102.3 | 110.6 | 123.2 | 123.4 | 120.6 | 129.6 | 121.2 | 111.7 | 123.6 | 113.0 | 90.0 | 121.4 | 108.9 | -10.3 |
| MIDDLE ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 117.9 | 124.0 | 101.5 | 108.8 | 114.5 | 114.8 | 122.0 | 123.6 | 125.5 | 121.8 | 120.8 | 125.6 | 118.4 | 112.8 | 121.6 | 7.8 |
| Present Situation | 139.9 | 152.2 | 127.5 | 137.3 | 142.4 | 136.2 | 143.9 | 142.9 | 142.9 | 152.6 | 145.8 | 157.2 | 147.9 | 130.6 | 150.3 | 15.0 |
| Expectations | 103.3 | 105.2 | 84.3 | 89.8 | 95.9 | 100.5 | 107.4 | 110.7 | 108.1 | 101.3 | 104.1 | 104.6 | 98.8 | 100.9 | 102.5 | 1.6 |
| EAST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 102.9 | 103.8 | 88.0 | 87.9 | 97.0 | 97.0 | 95.3 | 104.0 | 108.7 | 102.3 | 95.5 | 104.1 | 101.2 | 93.9 | 100.3 | 6.8 |
| Present Situation | 111.7 | 116.0 | 99.4 | 96.3 | 103.4 | 99.2 | 91.3 | 102.8 | 107.7 | 111.0 | 116.5 | 125.7 | 121.9 | 100.1 | 121.4 | 21.2 |
| Expectations | 97.0 | 95.6 | 80.4 | 82.3 | 92.8 | 95.6 | 97.9 | 104.7 | 109.4 | 96.6 | 81.5 | 89.8 | 87.5 | 89.8 | 86.2 | - 3.9 |
| WEST NORTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 92.2 | 89.6 | 73.7 | 71.5 | 89.6 | 98.2 | 87.6 | 99.1 | 88.4 | 91.4 | 76.0 | 70.7 | 81.7 | 79.4 | 76.1 | - 4.1 |
| Present Situation | 91.5 | 94.8 | 77.2 | 74.9 | 77.8 | 84.8 | 69.4 | 82.9 | 93.8 | 97.6 | 91.3 | 74.6 | 84.2 | 68.7 | 83.4 | 21.4 |
| Expectations | 92.7 | 86.1 | 71.4 | 69.3 | 97.5 | 107.2 | 99.7 | 109.9 | 84.9 | 87.3 | 65.9 | 68.0 | 80.0 | 86.5 | 71.3 | -17.6 |
| SOUTH ATLANTIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 141.2 | 147.6 | 131.2 | 131.3 | 133.9 | 137.7 | 136.7 | 138.7 | 142.2 | 138.2 | 138.6 | 141.2 | 138.6 | 137.5 | 139.5 | 1.4 |
| Present Situation | 168.8 | 176.1 | 168.6 | 164.8 | 161.7 | 163.2 | 165.3 | 161.9 | 168.9 | 163.8 | 168.6 | 172.8 | 170.7 | 162.6 | 170.7 | 5.0 |
| Expectations | 122.9 | 128.6 | 106.2 | 109.1 | 115.4 | 120.7 | 117.6 | 123.3 | 124.5 | 121.2 | 118.6 | 120.2 | 117.3 | 120.8 | 118.7 | - 1.8 |
| EAST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 94.8 | 98.2 | 90.1 | 100.9 | 98.6 | 114.9 | 109.8 | 96.8 | 115.0 | 97.1 | 84.4 | 105.9 | 104.5 | 92.0 | 98.3 | 6.8 |
| Present Situation | 78.0 | 89.3 | 87.3 | 93.9 | 82.0 | 103.5 | 94.0 | 79.1 | 97.9 | 93.4 | 74.6 | 100.3 | 96.8 | 74.7 | 90.6 | 21.3 |
| Expectations | 106.0 | 104.2 | 92.0 | 105.5 | 109.8 | 122.5 | 120.4 | 108.7 | 126.5 | 99.6 | 91.0 | 109.7 | 109.6 | 103.6 | 103.4 | - 0.1 |
| WEST SOUTH CENTRAL | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 82.6 | 78.3 | 70.1 | 68.7 | 74.9 | 81.7 | 69.7 | 75.3 | 77.9 | 78.5 | 80.5 | 80.1 | 73.9 | 77.0 | 78.2 | 1.5 |
| Present Situation | 28.3 | 26.1 | 28.5 | 27.7 | 26.5 | 33.0 | 20.1 | 22.6 | 34.6 | 30.8 | 30.1 | 31.0 | 29.5 | 24.7 | 30.2 | 22.4 |
| Expectations | 118.8 | 113.1 | 97.8 | 96.0 | 107.2 | 114.3 | 102.8 | 110.4 | 106.8 | 110.3 | 114.1 | 112.9 | 103.5 | 112.0 | 110.2 | - 1.6 |
| MOUNTAIN | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 102.8 | 101.4 | 76.4 | 85.7 | 84.5 | 82.4 | 94.6 | 87.5 | 94.4 | 85.4 | 80.3 | 92.8 | 69.0 | 87.3 | 80.7 | - 7.5 |
| Present Situation | 82.6 | 93.4 | 67.5 | 76.1 | 54.4 | 66.6 | 77.8 | 57.5 | 79.2 | 69.2 | 61.9 | 77.0 | 58.2 | 64.1 | 65.7 | 2.5 |
| Expectations | 116.3 | 106.8 | 82.4 | 92.1 | 104.5 | 93.0 | 105.8 | 107.6 | 104.6 | 96.2 | 92.7 | 103.4 | 76.3 | 102.7 | 90.8 | -11.6 |
| PACIFIC | | | | | | | | | | | | | | | | |
| Consumer Confidence Index | 125.1 | 125.3 | 125.5 | 121.2 | 125.2 | 135.2 | 125.2 | 121.1 | 125.5 | 127.0 | 126.7 | 134.0 | 122.2 | 121.2 | 127.6 | 5.2 |
| Present Situation | 149.0 | 151.4 | 152.1 | 148.2 | 140.0 | 157.3 | 150.7 | 135.2 | 149.1 | 153.9 | 161.5 | 161.7 | 159.9 | 142.8 | 161.0 | 12.8 |
| Expectations | 109.1 | 107.9 | 107.7 | 103.2 | 115.4 | 120.4 | 108.3 | 111.7 | 109.7 | 109.1 | 103.5 | 115.5 | 97.0 | 106.9 | 105.3 | - 1.5 |

***Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

## CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

| *Seasonally adjusted index numbers: 1985 = 100* | *1987* | | | | *1988* | | | | | | | | | *3 mos. Percent, Change** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Sep.* | *Oct.* | *Nov.* | *Dec.* | *Jan.* | *Feb.* | *Mar.* | *Apr.* | *May* | *June* | *July* | *Aug.(r)* | *Sep.(p)* | |
| TOTAL U.S. | | | | | | | | | | | | | | |
| Consumer Confidence Index | 115.7 | 115.1 | 100.8 | 107.7 | 109.9 | 114.9 | 112.7 | 115.7 | 120.2 | 115.7 | 113.5 | 119.7 | 109.0 | - 2.7 |
| Present Situation | 120.5 | 124.4 | 115.6 | 119.8 | 121.5 | 129.1 | 124.5 | 120.2 | 129.0 | 126.3 | 128.2 | 135.1 | 123.6 | 3.0 |
| Expectations | 112.5 | 108.9 | 90.9 | 99.6 | 102.2 | 105.5 | 104.9 | 112.8 | 114.4 | 108.6 | 103.7 | 109.4 | 99.3 | - 7.0 |
| AGE OF HOUSEHOLD HEAD | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under 35 | 120.7 | 122.3 | 110.2 | 121.5 | 116.5 | 124.4 | 118.6 | 120.4 | 123.1 | 121.5 | 121.2 | 128.5 | 119.0 | 1.0 |
| 35-54 | 120.0 | 113.9 | 103.5 | 105.9 | 111.1 | 113.6 | 117.1 | 119.5 | 121.8 | 118.7 | 116.4 | 119.5 | 109.8 | - 4.0 |
| 55 and over | 102.5 | 107.2 | 86.7 | 95.6 | 99.1 | 104.6 | 98.7 | 104.4 | 113.8 | 104.7 | 102.2 | 110.4 | 98.7 | - 3.6 |
| Present Situation | | | | | | | | | | | | | | |
| Under 35 | 126.3 | 130.6 | 123.0 | 130.6 | 126.5 | 137.8 | 128.0 | 127.1 | 129.9 | 130.1 | 134.5 | 147.0 | 134.3 | 7.4 |
| 35-54 | 128.2 | 123.6 | 114.4 | 118.3 | 122.5 | 128.4 | 131.9 | 124.5 | 130.3 | 129.9 | 130.5 | 133.8 | 124.0 | 1.0 |
| 55 and over | 106.7 | 120.0 | 111.0 | 113.8 | 116.1 | 122.7 | 113.8 | 110.7 | 127.2 | 120.0 | 122.0 | 129.1 | 117.0 | 2.9 |
| Expectations | | | | | | | | | | | | | | |
| Under 35 | 117.0 | 116.7 | 101.6 | 115.6 | 109.7 | 115.4 | 112.3 | 116.0 | 118.7 | 115.7 | 112.4 | 116.1 | 108.9 | - 3.7 |
| 35-54 | 114.4 | 107.4 | 96.2 | 97.7 | 103.6 | 103.9 | 107.4 | 116.4 | 116.2 | 111.2 | 107.0 | 109.9 | 100.4 | - 7.7 |
| 55 and over | 99.7 | 98.5 | 70.4 | 83.3 | 88.1 | 93.0 | 88.9 | 100.3 | 104.9 | 94.3 | 88.9 | 97.8 | 86.3 | - 8.8 |
| HOUSEHOLD INCOME | | | | | | | | | | | | | | |
| Consumer Confidence Index | | | | | | | | | | | | | | |
| Under $15,000 | 88.0 | 87.1 | 74.6 | 83.9 | 85.1 | 89.0 | 83.7 | 89.8 | 94.1 | 88.4 | 82.1 | 88.1 | 86.5 | - 5.7 |
| $15,000-24,999 | 106.2 | 113.8 | 97.8 | 103.4 | 106.0 | 116.7 | 107.6 | 109.8 | 112.8 | 102.7 | 104.8 | 115.3 | 100.5 | - 1.4 |
| $25,000 and over | 131.8 | 128.6 | 114.7 | 120.6 | 122.7 | 126.8 | 127.5 | 129.7 | 135.4 | 132.0 | 130.9 | 135.3 | 122.1 | - 2.2 |
| Present Situation | | | | | | | | | | | | | | |
| Under $15,000 | 77.4 | 82.5 | 74.9 | 77.6 | 74.7 | 80.1 | 74.8 | 78.8 | 88.5 | 83.2 | 83.3 | 84.0 | 87.3 | 1.6 |
| $15,000-24,999 | 109.7 | 119.0 | 104.2 | 107.7 | 111.6 | 124.2 | 110.7 | 103.9 | 116.7 | 109.0 | 114.7 | 121.6 | 114.1 | 6.3 |
| $25,000 and over | 145.5 | 146.3 | 140.2 | 145.5 | 148.5 | 156.2 | 152.6 | 145.5 | 153.5 | 152.1 | 154.2 | 162.7 | 144.8 | 2.4 |
| Expectations | | | | | | | | | | | | | | |
| Under $15,000 | 95.5 | 90.5 | 74.4 | 88.6 | 91.3 | 93.7 | 88.7 | 97.0 | 97.9 | 92.1 | 81.5 | 91.0 | 86.4 | - 9.8 |
| $15,000-24,999 | 103.9 | 110.4 | 93.5 | 100.6 | 102.1 | 111.3 | 105.2 | 113.7 | 110.3 | 98.6 | 98.3 | 111.2 | 91.5 | - 6.7 |
| $25,000 and over | 122.4 | 116.5 | 97.6 | 103.6 | 106.1 | 108.2 | 111.4 | 119.4 | 123.4 | 118.5 | 115.3 | 116.8 | 106.7 | - 6.2 |

***Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**




***Consumer Research Center***
The Conference Board, 845 Third Ave., New York, N.Y. 10022